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Tower Panel Believes Reagan Knew About Iran Arms Sales

By Gerald M. Boyd
New York Times Service

WASHINGTON — The Tower Commission has concluded that President Ronald Reagan, far from being remote from the administration's Iran arms dealings, was briefed on them regularly as they took place, according to officials familiar with the commission's report.

The officials said the report, which is scheduled to be made public on Thursday, would show that Mr. Reagan frequently discussed the Iran initiative at morning meetings with Vice Admiral John M. Poindexter, then his national security adviser.

But the report also says the president's participation in those discussions was minimal. Often he simply asked questions about the American hostages being held in Lebanon and told anecdotes, according to an official who has seen the report.

The report by the special presidential commission is also said to describe what one official described as a "pattern of free-lancing" by Lieutenant Colonel Oliver L. North, the National Security

Delay is sought in confirmation of a CIA chief until after the Iran inquiry, Page 3.

Council aide who was dismissed in November following the first disclosures that the United States had sold arms to Iran and that some of the proceeds had been diverted to the Nicaraguan rebels.

Officials added that the report says that Colonel North carried out policies on arms sales to Iran and the supply of aid to the Contras, as the rebels are known, that went far beyond what the White House intended.

In addition, the commission has information that supports asser-

tions by a Senate committee that Mr. Reagan discussed with senior aides the need to formulate a policy on Iran that would give him "deniability."

The Tower Commission, named for its chairman, John G. Tower, the former Republican senator from Texas, was appointed by Mr. Reagan to investigate the operations of the National Security Council in the Iran-contra affair.

The president acknowledged on Tuesday that he could not remember whether he gave advance approval of the first shipment of arms to Iran in September of 1985.

Appearing before a group of business executives, Mr. Reagan said in response to a question, "I think it's possible to forget."

"I'd like to ask one question of everybody," he said. "Everybody who can remember what they were doing on Aug. 8, 1985, raise your

See INQUIRY, Page 5

U.S. Talks To Allies On Treaty

Nitze and Perle Discuss U.S. View On ABM Accord

By James M. Markham
New York Times Service

BONN — Two senior U.S. officials began consultations with West European allies Wednesday to explain the Reagan administration's preference for the so-called "broad" interpretation of the anti-ballistic missile treaty that would permit expanded testing of space weapons.

The envoys, Paul H. Nitze, a special adviser to President Ronald Reagan, and Richard N. Perle, an assistant secretary of defense, met in London with Prime Minister Margaret Thatcher and Sir Geoffrey Howe, the foreign secretary, and later went to Bonn for talks with Chancellor Helmut Kohl. The chancellor indirectly expressed concern about Washington's course.

Although the West European trip is being described as a "consultation" with the allies, there was considerable evidence that it is an element in a process that is leading the Reagan administration to move formally to the broad interpretation of the 1972 accord with the Soviet Union.

According to a U.S. official, Mr. Nitze went through three drafts of his "talking points" with the allies in order to blunt the impact of his message. One of Mr. Nitze's points was reported to be that there has been much progress in research into anti-missile systems that could be included in the Strategic Defense Initiative that a wider interpretation of the treaty had become imperative.

The choice of Mr. Nitze appeared designed to reassure the allies, who tend to regard him as a moderate within the U.S. administration. But various European officials said that the dispatch of Mr. Perle — who is on record as saying the broad interpretation will be adopted before Mr. Reagan leaves office in 1989 — suggested that Washington was moving toward effectively scrapping the treaty.

The shift to the new interpretation was viewed with apprehension in Bonn, where Mr. Kohl has expressed hope at the prospect for an arms control agreement.

In an interview published Wednesday, Mr. Kohl said that a drive by Mikhail S. Gorbachev, the Soviet leader, for reforms could lead to a "watershed" arms control agreement.

Mr. Kohl said that a breakthrough depended on the Soviet Union abandoning its "all-or-nothing approach" and the United States remaining flexible on the question of its application of the ABM treaty and avoiding actions that would "create a fait accompli."

Before the two Americans met with the chancellor, Mr. Kohl's spokesman, Friedhelm Ost, confirmed that the interview reflected the government's view. After the meeting, Mr. Kohl's office issued a statement saying that the envoys had described a "restructuring" of the anti-missile research program.

Suggesting doubt about the wisdom of the move, Page 5



Shiite women in Beirut mourned the deaths of Hezbollah militants by Syrian troops.

Indian Judge Replaced in Bhopal Suit After Disclosure He Was a Claimant

By Steven R. Weisman
New York Times Service

NEW DELHI — The presiding judge in the lawsuit over the Bhopal gas disaster has been replaced because of a disclosure that he had filed his own claim for damages in the case, Indian officials and lawyers said Wednesday.

Judge G.S. Patel had made several sensitive rulings in the case without disclosing that he had earlier listed himself among the victims of the worst industrial accident in history.

The Indian government, representing 500,000 plaintiffs, is suing Union Carbide Corp. for \$3 billion in damages over the leak of gas from a pesticide plant on Dec. 2-3, 1984. A new judge, M.W. Dev, took over the case Tuesday in Bhopal.

The removal of Judge Patel has introduced new uncertainty and confusion into the case and raised the possibility of further delays in resolving the issues.

Sources close to the case said that Union Carbide, which is based in Danbury, Connecticut, was considering whether to seek to invalidate all of Judge Patel's orders and actions of the last several months.

Union Carbide was understood to be reluctant to take such a step because of possible adverse publicity, despite what its Indian lawyers say would be firm legal ground based on prohibitions against judicial conflict of interest.

Judge Patel had been hearing the Bhopal lawsuit since last fall and made several rulings objected to by Union Carbide.

The irony of the situation, however, is that Union Carbide had argued that the case be tried in India rather than the United States. India had initially sought an American forum, saying that Indian courts were antiquated and incomp-

ble of handling such a complex matter.

It was not clear why Judge Patel's involvement in the case had not come to light until now, or how it became disclosed. His transfer was initially reported in the Indian press as resulting from the jealousy of other judges.

In the past few days there were reports that a conflict of interest was involved, details of which were confirmed Wednesday by Indian officials and other lawyers. An Indian official said the government was dismayed and taken aback by Judge Patel's action.

"It is incredible that this could have happened," said a lawyer involved in the case. "If he was a claimant, it was his duty to disclose it."

More than 2,000 people died and 200,000 were reported injured at the time as clouds of toxic methyl isocyanate gas spread through the city. Indian government lawyers now assert that many more people have fallen ill since then, bringing the number of plaintiffs to a half million, more than half the population of Bhopal at the time.

Union Carbide lawyers argue that India has exaggerated the numbers and brought insufficient evidence of their illness.

Officials involved in the case said that because the list of plaintiffs is so huge, taking up dozens of volumes of computerized sheets, and because Patel is a common Indian name, the judge's inclusion in the list was not discovered until recently.

China Experts Say Deng Is Weakened by Turmoil

By Edward A. Gargan
New York Times Service

HONG KONG — Some China watchers based in Hong Kong have concluded that Deng Xiaoping, China's senior leader, has been severely weakened in the recent political turmoil in Beijing and may no longer exercise real power.

Mr. Deng, who twice rose from political oblivion in the 1970s, has been the principal force behind the economic restructuring that China has undergone since 1979.

The sweeping changes were introduced to free the country's lethargic economy from strong central control, using innovative management in some areas, a reliance on market forces for some products and private control of most farm production.

In contrast with the opinion of the China watchers, diplomatic analysts in Beijing and Washington say they generally believe that Mr. Deng remains firmly in charge despite the political and ideological upheaval.

The analysts interviewed in Hong Kong, some of whom began watching China when it was closed to Western journalists, navigate partly by a careful scrutiny of the Chinese press, examining nuances and reading between the lines as the mainland Chinese do. They are not diplomats and sometimes take issue with diplomats posted in Beijing, but they have proven astute on past factional struggles inside China.

The Chinese and Western analysts interviewed said Mr. Deng and the innovators he brought to power in the last decade had been isolated and forced from the center of power.

"I think he is now a lame duck," said a Hong Kong Chinese who has followed the situation on the mainland for several decades. "Deng rested on two legs, Hu Yaobang and Zhao Ziyang. One of those legs has been cut from under him."

On Jan. 16, Mr. Hu was stripped of his title as general secretary of the Communist Party after a month of student demonstrations calling for democracy. Mr. Zhao, who is prime minister, was named acting general secretary of the Chinese party, which has 44 million members.

Another analyst who has studied China since the Communists took over in 1949 took an equally negative view of Mr. Deng's situation. "Some observers still imagine that he is in the saddle, as the most devastating articles written against

'bourgeois liberalism' cite his words," the analyst said. "They really make fun of him, quoting his words pronounced at moments when he temporarily adopted words of his enemies."

Since the student protests ended early this year, the Chinese press has rallied against what it calls "bourgeois liberalism." The phrase is meant to encompass all views that advocate the introduction of Western ideas and values into China.

One analyst pointed to the abrupt manner in which Mr. Hu was removed as evidence of both Mr. Deng's weakened position and

See DENG, Page 5

Hezbollah Sector Is Sealed Off

10,000 Mourners In South Beirut Protest Deaths

Reuters

BEIRUT — Syrian troops sealed off a stronghold of the pro-Iranian Hezbollah organization in West Beirut on Wednesday after 23 Shiite Muslim militants were killed in the Syrian security drive Tuesday night, witnesses said.

A car bomb later injured at least 12 persons in the Shiite Muslim part of southern Beirut on Wednesday. It exploded shortly after a large funeral procession in which the deaths of the Hezbollah, or Party of God, fighters, were protested.

Ambulances and fire engines rushed to the scene and the police said the casualty toll was incomplete.

In the funeral procession, more than 10,000 people marched through the city's southern suburbs, where Syrian troops who moved into West Beirut on Sunday have not yet departed.

The mourners carried the bodies of Hezbollah members, wrapped in white sheets, on stretchers. They beat their chests and shouted, "Slowly, slowly, you Zionists — Hezbollah is on its way."

Residents said that Hezbollah fighters were placed on maximum alert following the violence late Tuesday night.

Militia sources said the gunfight Tuesday night raised the prospect of Syria sending troops into the southern suburbs, where foreign hostages are reported to be held.

Numerous reports have speculated that Hezbollah captors of some of the 26 foreigners missing and believed kidnapped in Lebanon. The organization has strongly denied any role in the abduction of foreigners.

Hezbollah's leaders, organization and precise fighting strength are all well-kept secrets in a city where most political and military matters are still open to discussion, despite almost 12 years of civil war.

Some of the hostages are said to be held in Beirut's southern districts, while there have been conflicting reports over the timing and possibility of Syrian intervention in the maze of closely packed houses and alleys.

"If and when the Syrians go into the suburbs," one militia source said, "then there is a strong possibility that some of the hostages held there will be released."

Political sources have said that Terry Waite, the envoy of the Church of England who was reported kidnapped on Jan. 20, is also held south of Beirut.

Hostages Said to Be Moved

A Kuwaiti newspaper reported on Wednesday that Shiite extremists holding foreign hostages in Lebanon have moved some captives to the Iranian Embassy in Beirut and others to southern Lebanon. The Associated Press reported from Kuwait.

In a dispatch from Paris, the daily Al-Qabas newspaper said that Terry Waite was being held hostage and was among the captives who had been moved to elude Syrian forces.

Even the Sky Was Barred Begun Talks of 'Terrible' Solitude, Cold and Meager Diet in Soviet Jail

By Celestine Bohlen
Washington Post Service

MOSCOW — Once a day, after a breakfast of porridge and water, Joseph Z. Begun and other political prisoners at Chistopol prison would be let out of their cells and be given either an hour or 30 minutes of exercise in a prison yard.

Mr. Begun, 54, a Jewish activist freed on Friday, has a keen memory of the dimensions of that yard. "Seven steps long, and four, maybe three steps across," he said Tuesday in an interview.

The yard was paved with cement and a metal grill was overhead. The walls were covered with lumpy cement so no one could write anything on them, he said. Prisoners could exercise only with their cellmates, or alone.

In the early mornings, the sun never shone through the grill, and yet, Mr. Begun said, "the rain could always reach you."

"It was like a well, like walking at the bottom of a well," he said. The grill above makes a special impression on people who have spent time in Chistopol. They call it "looking at the sky through metal netting."

Mr. Begun said that during the 22 months he spent in Chistopol the number of political prisoners varied from 18 to 32. When he left, at the end of the current round of releases decreed by the Soviet government, five prisoners remained, he said, all convicted of espionage.

On Tuesday, Mr. Begun was in his Moscow apartment where the window looks out on trees and ground covered with snow. He talked, his wife, Inna, brought in dishes for a family meal, including steamed tomatoes and fresh cucumbers.

Mr. Begun, an energetic man with bright blue eyes and a gentle smile, was wearing a red-and-blue checked shirt and jogging pants, and his shaved head was covered with a blue yarmulke.

He and his family are still waiting for permission to emigrate to Israel. 16 years after he first applied, he said he would continue his activism as he had said he would in a letter to the Supreme Soviet, the national legislature of the Soviet Union.

"I explained that trying to improve the state of the Jewish nation and culture is one of the factors of the process of democratization in this country," he said. "It won't be a violation of the law, but on the contrary, by this I will contribute my part to this process."

On his second day back in Moscow, Mr. Begun seemed physically in good shape, despite a series of hunger strikes in prison.

Mr. Begun turned to teaching Hebrew after he lost his job as a mathematician when he applied to emigrate to Israel in 1971. Convicted in 1983 of anti-Soviet agitation, See BEGUN, Page 5



General Fidel V. Ramos, chief of the Philippines military staff, left, and Agapito Aquino, brother-in-law of President Corason C. Aquino, raise their hands as a symbol of reconciliation between the military and civilians. They were at ceremonies Wednesday to mark the first anniversary of the removal of Ferdinand E. Marcos. Page 5.

LATE NEWS

Vatican Banker Wanted by Italy

The Associated Press

MILAN — The Italian authorities have issued an arrest warrant against Archbishop Paul Marcinkus, 65, who heads the Vatican bank, in connection with the collapse of the Milan-based Banco Ambrosiano, court sources said Wednesday. The sources said that the warrant charges Archbishop Marcinkus, of Cicero, Illinois, as "an accessory to fraudulent bankruptcy" in Italy's biggest bank failure. The bank collapsed in 1982 with bad debts of more than \$1.2 billion. A large part of that money had been loaned to financial houses in Panama in which the Vatican, through its bank, the Institute for Religious Works, had an interest.

Archbishop Marcinkus has denied any wrongdoing. He lives in Vatican City, and the sources said the warrant could only be served if he stepped onto Italian territory.

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Soviet Removes Radars Cited as Risk to Treaty

By R. Jeffrey Smith
Washington Post Service

WASHINGTON — The Soviet Union has removed several missile defense radars that were said by the Reagan administration to be a key part of alleged Soviet preparations to break out of the 1972 anti-ballistic missile treaty, according to U.S. intelligence experts.

Removal of the radars at Sary-Shagan, in Soviet Central Asia, began in the fall and was completed recently, the officials said, leading some experts at the State Department to speculate that the Russians are trying to resolve a major concern raised by the United States.

However, some officials at the Defense Department dispute this interpretation, arguing instead that removal of the radars indicates that the Russians are preparing for testing or deployment of more modern equipment. No hard evidence exists to support either view, and Moscow has said nothing to clarify the issue.

The dispute concerns a large, phased-array radar with two false, known to American analysts as Flat Twin, and a smaller radar with three spherical antennas known as Pawn Shop. First erected in the early 1970s, the radars were designed to track ballistic missiles in the final stage of flight and then guide interceptors to destroy the missiles in a nuclear explosion.

In a report to Congress, the Reagan administration said in March 1986 that Soviet development and testing of the radars "represents a potential violation of its legal obligations under the ABM treaty," because the radars could be erected within months with little advance preparation.

The administration said this potentially violated a ban on "mobile, land-based" ABM radars. Viewed in concert with "other ABM-related Soviet actions," the administration report said, it suggested "that the U.S.S.R. may be preparing an ABM defense of its national territory."

Since then, the Soviets have removed most, if not all, of the radars at Sary-Shagan, which officials said never numbered more than five. This judgment is influenced in part by recent statements from several Soviet officials, including Georgi A. Arbatov, the director of the Institute for U.S. and Canadian Studies, that work on a more con-

troversial radar near the Siberian city of Krasnoyarsk has been halted. Mr. Arbatov first made the remarks during a visit to the United States in December, according to U.S. experts.

Administration officials and independent experts have called the Krasnoyarsk radar a violation of the ABM treaty because of its location away from the periphery of the country.

Intelligence information on the Krasnoyarsk radar, like the evidence on Flat Twin and Pawn Shop, remains ambiguous.

Gorbachev Renews Call For Soviet Liberalization

Reuters

MOSCOW — Mikhail S. Gorbachev, the Soviet leader, made a fresh attack on opponents of his drive for political renewal on Wednesday, declaring that more liberalization was essential to stop the Soviet Union from lapsing into stagnation.

Speaking at a congress of 5,000 Soviet trade unionists in the Kremlin Palace of Congresses, Mr. Gorbachev said: "This is how we put the question — either acceleration, or inertia and conservatism. There is no other choice."

Developing a common theme of

his recent speeches, Mr. Gorbachev said that among his domestic opponents were some honest people who had not learned to change their minds. But others, he said, are explicitly dissatisfied with his policies.

Mr. Gorbachev said the United States and its allies, fearing the Soviet economy would be revitalized under his leadership, were seeking to preoccupy the Soviet Union by maintaining the arms race and international tension.

"Imperialism and the forces of

See GORBACHEV, Page 5

'Jazz Section' Dissidents Will Face Trial in Prague

Reuters

VIENNA — Seven leading members of the Czechoslovak Jazz Section, an independent cultural group that has been suppressed by the Czechoslovak authorities, are to go on at a Prague district court from March 10 to 12, the group's lawyer said Wednesday.

The lawyer, Josef Prusa, said by phone from Prague that the group members would face charges of illegal commercial activities and of issuing publications for profit. The offenses are punishable under Czechoslovak law by up to eight years imprisonment.

The seven were arrested Sept. 2 when the Communist authorities clamped down on the Jazz Section. The group acted as an unofficial publishing house and a forum for young people dissatisfied with state-run culture and claims a membership of 7,000.

Two of the members of the group, Karel Srp, its chairman, and Vladimir Kouril, its secretary, remain in pretrial detention. The other five were released earlier this year.

Police in Hungary Arrest Conscientious Objector

Reuters

BUDAPEST — Hungary's first conscientious objector on political grounds since Communist rule began in 1949 was arrested by the police on Wednesday at his apartment here, witnesses said.

Zsolt Keszthelyi, a dissident magazine editor, had been ordered to report Wednesday for military service in the town of Kiskunfelegyhaza, but failed to do so.

Witnesses said that one uniformed and one plainclothes policeman briefly interrogated Mr. Keszthelyi before driving him away. The police raided his apartment three weeks ago and confiscated copies of his magazine, an underground publication called *Abroad*.

"I do not want to serve in an army which is not under the control of a constitutional government," Mr. Keszthelyi said in an interview before his arrest. "If I did I might be used to do anything — 1968 is an example of that," he added, referring to the Soviet-led Warsaw Pact invasion of Czechoslovakia.



Mikhail S. Gorbachev speaking to trade unionists in Moscow on Wednesday.

Astronomers Say They've Found Closest Supernova Since 1604

By Malcolm W. Browne
New York Times Service

NEW YORK — Astronomers report that the explosion of a star has apparently occurred much closer to Earth than any since the one observed by the astronomer Kepler in 1604.

The discovery of the supernova was made Tuesday.

Because such nearby supernovas are so rare, and because it is being observed so early, the event is likely to have a dramatic impact on understanding how such explosions come about and how they have influenced the chemical composition of the universe.

The blast occurred 50,000 years ago, but the light it generated is only now reaching Earth.

Astronomers discover about one

supernova a year in some part of the universe, but because they are so far away, no supernova has ever been observed by modern instruments during its earliest phases.

All supernovas are believed to be the violent deaths of very big stars that have used up most of their nuclear fuel and are forced by their gravity to collapse on themselves. The collapse releases so much energy that a final cycle of nuclear fusion occurs, and the resulting explosion briefly produces more light than does an entire galaxy of hundreds of millions of stars.

Among the many reasons astronomers are interested in supernovas is that they are thought to create most of the heavy elements in nature, including the carbon from which all living things are made.

An ordinary star made mostly of hydrogen converts most of its fuel by the fusion process into helium and then dies. But stars substantially larger than the sun may continue the fusion cycle, creating elements as heavy as iron before erupting as supernovas, which may generate even heavier elements that are blasted into space.

Dr. Robert E. Williams, director of Cerro Tololo Interamerican Observatory in Chile, said Tuesday that astronomers throughout the Southern Hemisphere were preparing their telescopes for intense scrutiny of the phenomenon.

He said that if the object lived up to expectations, it was likely to become the brightest star in southern skies for the next 10 days, beginning Wednesday. It would be as bright as the planet Jupiter, he said.

The object will not be visible in most of the Northern Hemisphere, although people living as far north as Brownsville, Texas, might at some point get a glimpse of it low on the horizon. But for observatories in Chile, Australia and South Africa, it will be within easy view.

Dr. Williams said that because of the importance of the event, his team would attempt to televise its observations so that astronomers throughout the world could make immediate use of them.

He said the discovery was made shortly before dawn Tuesday by observers at the University of Toronto observatory at Las Campanas, Chile.

"Their observer was exposing some routine astronomical photographs" that had been made with a rather small telescope "when he noticed the image of a new star where previous photographs had shown none," Dr. Williams said, adding: "By that time the sun was beginning to rise, and further observations were impossible. But this is an event every astronomer in the world had been hoping would occur in his or her lifetime, and you may be sure we'll make the most of the opportunity."

The apparent supernova was observed in the Greater Magellanic Cloud, one of a cluster of small galaxies that are so close to the Milky Way galaxy as to be considered satellite galaxies. The supernova is 50,000 light years from

Earth, a short distance away in astronomical terms.

The nearest full-size galaxy to ours is the spiral known to astronomers as M-31, the Great Nebula in Andromeda, which is more than two million light years away. Most other galaxies are many hundreds of millions of light years distant, and when supernovas are spotted at such great distances they are comparatively dim and difficult to study.

The brightest part of a supernova flares up in a matter of days and fades rapidly after several weeks. The 1604 explosion left a residue visible through telescopes today as a faint nebula of glowing gas.

Three supernovas have been recorded in the Milky Way galaxy — in 1054, 1572 and 1604.

WORLD BRIEFS

U.K. Urged to Act on 6 Nazi Suspects

LONDON (UPI) — Members of Parliament urged the government Wednesday to act against at least six suspected Nazi criminals who took sanctuary in Britain after World War II.

Home Secretary Douglas Hurd disclosed that an investigation prompted by the Simon Wiesenthal Institute of Los Angeles found that at least six suspected Nazis live in Britain.

They were among 17 names provided by the institute in October as being guilty of crimes in 1940 against Jews in Nazi-occupied Lithuania and Latvia in what is now Soviet territory. Mr. Hurd said the investigation was continuing but that the crimes were committed before the suspects came to Britain.

Abdallah Called 'Small' Terror Chief

PARIS (AP) — A senior French counterintelligence official said Wednesday that he doubted Georges Ibrahim Abdallah is the head of the terrorist group blamed for killing American and Israeli diplomats in Paris.

Mr. Abdallah, on trial on charges of complicity in murder and attempted murder, often has been described by the police and terrorism experts as the head of the Lebanese Armed Revolutionary Faction, or FARL, which claimed responsibility for the attacks.

But Raymond Nart, deputy director of the counterintelligence agency DST testified that he considered Mr. Abdallah at best a "small chief," not the group's overall head. "As to the real head of FARL, I have several ideas," Mr. Nart said. He added that he thought Mr. Abdallah was "the head of a commando team; he's a little chief."

U.S. High Court Backs Rights Plan

WASHINGTON (AP) — The U.S. Supreme Court upheld on Wednesday a plan for promoting equal numbers of blacks and whites on the Alabama State Police force.

By a vote of 5-4, the court ruled that the affirmative action plan did not violate the U.S. Constitution. The plan forces the state police to promote one black trooper for every white promoted until blacks comprise 25 percent of upper-rank officers.

The ruling is a defeat for the Reagan administration, which argued that the quota was "profoundly illegal." The administration argued that the plan was arbitrary and a form of reverse discrimination that violates the equal protection guarantees contained in the constitution.

Zambia Releases 4 South Africans

JOHANNESBURG (Reuters) — Four South Africans who were held for nine months in Zambian jails on charges of spying returned home Wednesday. Their lawyer denied Zambia's allegations that the four had been spying for Pretoria.

President Kenneth Kaunda of Zambia said earlier that he was releasing the four on humanitarian grounds, although he said they had admitted working for South African intelligence at the time of their arrest in May. They were held a week after South African planes raided alleged anti-apartheid guerrilla targets in Lusaka, the Zambian capital.

Mr. Kaunda said at a press conference that the men — Randolph Keyser, Rudolf Ottermann, Bernhard Koch and Duncan Vause — had planned their trip to Zambia as genuine tourists but were later persuaded by South African agents to carry out acts of destabilization. The four were met on their arrival by Foreign Minister R.F. Botha.

Gene Defect Linked to Mental Illness

NEW YORK (AP) — A study of manic-depressive disease in three generations of a family has shown for the first time that defective genes can cause psychiatric disorders, and scientists say the finding could help them understand a wide range of mental illness.

"It's an extremely important opening into molecular genetics and molecular biology for the major mental disorders," said Dr. Darrel Regier of the National Institute of Mental Health.

The work should promote studies that lead to better understanding of such illnesses as schizophrenia and anxiety disorders, he said. Previous studies had suggested that genetics could contribute to psychiatric disorders. But the new finding is the first demonstration of a genetic defect in a mental disease that shows anatomical abnormalities in the brain, he said.

Vietnam Says Troops Lack Necessities

BANGKOK (UPI) — Vietnamese soldiers lack the necessities for decent living and some corrupt officials have stolen from their troops, the Vietnamese Army newspaper Quan Doi Nhon said.

In an undated article published by Radio Hanoi on Wednesday, the newspaper said military leaders were failing in their "greatest and most specific responsibility" by providing inadequate living conditions for their troops. "It is even more culpable that while units are in short supply of everything to meet the troops' living demands, some cadres are corrupt and wasteful and have even shortchanged the troops' rations," it said.

The charges follow the removal of the defense minister, General Van Tien Dung, the hero of the victory over South Vietnam, in a cabinet reorganization earlier this month.

For the Record

Foreign Minister Kent Frydenlund of Norway was hospitalized Wednesday after collapsing with a heart attack at the Fomaba Airport in Oslo, the Foreign Ministry announced. He was returning from a Nordic Council meeting in Helsinki. (AP)

A New York woman who was arrested by East German border guards was released Wednesday and was returned to the Western sector of the city, a U.S. spokesman said. Susan Kleckner was seized Tuesday after she climbed the Berlin Wall and began taking photographs. (AP)

Peres Begins Cairo Visit To Seek Mideast Talks

The Associated Press

CAIRO — Foreign Minister Shimon Peres of Israel arrived here Wednesday to meet with President Hosni Mubarak and other Egyptian leaders, saying he hoped they could reach an accord to open the way for a Middle East peace conference.

"We've agreed on many points, but there are still two or three points that remain to be agreed upon," Mr. Peres said at the airport before visiting a synagogue in central Cairo. "I am here to see if there are alternatives or if there are ways or means to overcome difficulties."

Mr. Peres met with the Egyptian foreign minister, Esmat Abdel Meguid, on Wednesday evening. He is to meet Mr. Mubarak on Thursday.

Both sessions were expected to focus on Palestinian representation at an international peace conference.

Prime Minister Yitzhak Shamir of Israel, who switched jobs in October with Mr. Peres as part of a rotation agreement between the rightist Likud bloc and Mr. Peres's Labor Party, remains sharply opposed to such a conference.

Mr. Shamir favors only direct Arab-Israeli negotiations and has warned that the issue could threaten the existence of Israel's unity government.

"It is a known fact that we have differences of opinion," Mr. Shamir said Wednesday in remarks broadcast on Israel Army radio.

In defiance of Mr. Shamir, Mr. Peres restated on Wednesday his support of an international conference.

"I think Jordan, Egypt and Israel do agree that we have to negotiate directly," he said, "but to open direct negotiations we need an international forum."

He added, however, that the procedures and participants had to be agreed on before such a meeting.

Mr. Peres brought to Cairo a list of possible Palestinian participants acceptable to Israel, a senior government official close to Mr. Peres said. Reports in Jerusalem said that the Egyptians would present their own list to Mr. Peres.

Israel, which since 1967 has occupied the West Bank and Gaza Strip where 1.4 million Palestinians live, refuses to negotiate with members of the Palestine Liberation Organization.

Secretary of State George P. Shultz of the United States said Feb. 17 that the United States favored an international forum. The European Community added its endorsement for such a meeting on Monday.

Getty Museum Sets Another Record

By Souren Melikian
International Herald Tribune

PARIS — The J. Paul Getty Museum has paid a record \$4.07 million at Sotheby's in New York for "The Farewell of Telemachus and Eucharis," a mythological picture painted in 1818 by Jacques-Louis David.

The sale on Tuesday illustrates the increasing competition in the museum world, particularly in the United States, for famous names, no matter what kind of work these may be attached to.

David, who became famous in his own time as the leader among French artists cultivating the Neo-Classical style, is, to this day, widely considered the most remarkable artist of that school in France.

A militant leftist under the French Revolution and, later, an ardent supporter of Napoleon, he painted two of the best-known paintings relating to major contemporary events: "Le Serment du Jeu de Paume" and "Le Sacre de Napoleon." Both are hanging in French museums.

It is for such pictures that David has been sought after in the last decade or so.

The huge price paid for a work executed in Brussels, where David had to take refuge after the fall of Napoleon in 1815, has no precedent at auction. No David painting has appeared on the open market in recent years.

The most important work of his recently negotiated in the private market, a portrait of a Dutch ambassador, was reportedly sold in the summer of 1985 by Daniel Wildenstein for an undisclosed amount, believed to have been considerably lower than the New York painting. It is now in the National Gallery in London.

"The Farewell of Telemachus and Eucharis" anticipates the later trend in 19th-century academic painting of the kind called pompiers, or kitsch, on which David exercised considerable influence.

Its rose-water brand of eroticism is typical of continental tastes in Europe after the fall of Napoleon, with its attempt at blending Neo-Classical iconography, including the pseudo-Greek garb, and the sensuous style favored by 18th-century French painters such as Jean-Marc Nattier.

When it last appeared at auction in 1950, it made \$3,950. According to trade sources, the picture then left for South America where it was recently "discovered."

This is the second David acquired by the museum. The other, bought last year for an undisclosed amount from a U.S. dealer, is a portrait of the daughter



A detail of "The Farewell of Telemachus and Eucharis," bought by the J. Paul Getty Museum for \$4.07 million.

of Joseph Bonaparte, dated 1821. John Walsh, director of the Getty Museum, notes that both pictures were known in the 19th century and were then lost sight of.

The latest purchase is in line with other recent buys in the field of Old Master and 19th-century paintings or drawings. The work carries the name of a well-known artist. It is dated. It was commissioned by a member of the famous collecting family in Bavaria, Count Erwin von Schönborn, who also commissioned "Amor and Psyche," now in Cleveland.

In short it is thoroughly documented. The same remarks apply to the museum's latest auction buy before the David, a sheet with three minute sketches in pen and ink by Leonardo acquired on Nov. 17, 1986, at Sotheby's for another record price, \$3.74 million.

Demjanjuk Offers Hand, Is Spurned

Reuters

JERUSALEM — A survivor of the Treblinka concentration camp spurned on Wednesday the outstretched hand of John Demjanjuk in an Israeli courtroom and accused him of being the sadistic gas chamber operator known as "Ivan the Terrible."

After approaching Mr. Demjanjuk, Elyahu Rosenberg, 65, declared: "Ivan. Without a shadow of a doubt. Ivan from Treblinka, from the gas chambers — the man I am looking at now."

"I saw the murderous eyes, the face," Mr. Rosenberg said, adding: "How dare you give me your hand, you murderer?" His comment drew a rebuke from the presiding judge.

Mr. Demjanjuk, 66, a retired American auto worker who was born in the Ukraine, has denied he was ever in the World War II death camp in Poland. An estimated 870,000 Jews were killed in the camp during the Nazi occupation.

In the trial, which began last week, Mr. Demjanjuk is charged with crimes against humanity and the Jewish people. He faces the death penalty if convicted.

As Mr. Rosenberg, the second Holocaust survivor to testify in the trial, left the witness box to look closely at the accused at the prosecution's request, Mr. Demjanjuk removed his glasses and held out his hand in apparent greeting.

Mr. Rosenberg drew back and shouted, "You bandit."

Mr. Rosenberg, a retired port worker who escaped from the camp during a revolt by prisoners in August 1943, said that others who fled had told him that prisoners had exaggerated when they said that they had killed many of their guards.

"In the woods, I met people I didn't know from the camp," he testified. He said they had told him "that during the uprising people burst into the barracks of the Germans and Ukrainians and delivered murderous blows."

Mr. Rosenberg's testimony is important in the case against Mr. Demjanjuk, who says he is the victim of mistaken identity. Mr. Rosenberg testified in 1947 that Ivan may have been killed.

However, he said Wednesday that he learned that his 1947 deposition in Vienna, given to the Nazi hunter Tuvia Friedman, was untrue when he attended a war crimes trial in Düsseldorf in 1964.

"Then I saw those guards face to face," Mr. Rosenberg said. He said he knew then that the story about killing guards was false.

"It was boasting," he said.

He said that he had been killed during the uprising in the camp.

Austrian Powdered Milk Barred From Emirates

Reuters

ABU DHABI — The United Arab Emirates has banned two brands of Austrian powdered milk, saying they contained excessive radiation.

The Emirates began routine testing of imported food for radiation after the Chernobyl nuclear disaster in the Soviet Union last year.

Strike Threatened At U.K. Navy Yard

The Associated Press

PLYMOUTH, England — Trade union leaders at Devonport Royal Naval Dockyard threatened Wednesday to call a strike by the yard's 11,000 workers and start court action because the government is bringing in an American-led consortium to manage the yard.

The Conservative government of Prime Minister Margaret Thatcher signed a contract Tuesday with the consortium, led by the British subsidiary of an American offshore group, Brown and Root.

The consortium, which plans to cut the Devonport work force by 2,300 over four years, will run the state-owned yard under a seven-year contract starting April 6. The yard is one of Britain's two main maintenance and repair facilities for its naval ships. The others, at Rosyth in Scotland, is expected to be handed over shortly to private management under a similar contract.

The Conservative government of Prime Minister Margaret Thatcher signed a contract Tuesday with the consortium, led by the British subsidiary of an American offshore group, Brown and Root.

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Deaver Indictment Barred on Issue of Special Prosecutor

United Press International
WASHINGTON — A federal judge temporarily barred on Wednesday the indictment of Michael K. Deaver, the former White House deputy chief of staff, ruling that Mr. Deaver had raised "substantial questions" about the constitutionality of the 1978 law on special prosecutors.

The ruling by Judge Thomas Jackson of U.S. District Court not only throws into limbo a nine-month investigation of Mr. Deaver's private lobbying practice, but also undoubtedly will pose ramifications for the investigation of the Iran-contra affair.

The ruling followed reports that Mr. Deaver, a close friend of President Ronald Reagan, has been warned that he must plead guilty to criminal charges or face indictment by a federal grand jury.

People with knowledge of the investigation told The New York Times on Tuesday that the independent counsel, or special prosecutor, in the case, Whitney North Seymour Jr., had asked that Mr. Deaver plead guilty to two felony counts. One count involves violations of federal ethics laws in his work as a Washington lobbyist; the other charge, one source said, could be perjury.

Acting on a lawsuit by Mr. Deaver, Mr. Jackson issued a 10-day temporary restraining order blocking Mr. Seymour from issuing a four-count perjury indictment against Mr. Deaver.

The judge ruled there would be no harm to the pending case against Mr. Deaver to delay it while he considers the constitutionality of the Ethics in Government Act of 1978.

If an indictment were returned immediately and the law later was nullified, Mr. Deaver may suffer damages that "could never fully be redressed," the judge said.

Jury to Decide
Philip Shonon of The New York Times reported earlier from Washington:

The sources familiar with the Deaver case had cautioned that the federal grand jury overseen by Mr. Seymour might reject the prosecutor's argument and refuse to indict Mr. Deaver. However, grand juries tend to follow the suggestions of prosecutors.

One said he understood that Mr.

Deaver had refused to plead guilty, opening the way for Mr. Seymour to seek an indictment from the grand jury impaneled in Washington.

Asked about the reports, Randall J. Turk, Mr. Deaver's lawyer, refused to comment. Mr. Deaver and Mr. Seymour could not be reached for comment.

It was unclear whether others also would face charges. In December, Mr. Seymour said he had found evidence that associates of Mr. Deaver also might have conspired to violate the ethics law.

Mr. Deaver would be the first person indicted under the Ethics in Government Act, which requires appointment of an independent counsel when high-ranking government officials are accused of wrongdoing.

He has been under scrutiny by the independent counsel since last summer, chiefly regarding allegations that Mr. Deaver had violated ethics laws that restrict lobbying by former government officials. Mr. Deaver has repeatedly denied wrongdoing.

Word of a pending indictment against Mr. Deaver came as Lieutenant Colonel Oliver L. North, the focus of a special prosecutor's investigation into the Iran-contra arms affair, went to court Tuesday to attempt to overturn the special prosecutor law.

In a lawsuit, Colonel North argued that the law infringed on the prosecutorial right of the executive branch. The suit asked that the investigations of all special prosecutors, including Mr. Seymour, be stopped.

After resigning from his White House job in May 1985, Mr. Deaver formed a multimillion-dollar lobbying firm in Washington.

Inquiries have focused on whether Mr. Deaver improperly used his relationship with Mr. Reagan and his wife, Nancy, to promote clients of his lobbying firm, including the governments of Canada, South Korea and Puerto Rico.

According to a person with knowledge of the investigation, Mr. Seymour contacted Mr. Deaver's lawyers on Tuesday. Mr. Seymour offered them the choice of pleading guilty to two felony counts or facing indictment on potentially more serious charges.



Chicago Democrats Renominate Mayor Washington

Mayor Harold Washington, Chicago's first black mayor, has become the first mayoral incumbent to win renomination in the city in the last decade. On Tuesday, he defeated former Mayor Jane M. Byrne by 6 percentage points for the Democratic nomination to run in the general election April 7. Mr. Washington did much better among white voters than Mrs. Byrne did among blacks. For decades, winning the party's nomination for mayor gave City Hall to the victor. However, in April Mr. Washington will face two other Democrats running independently of the party.

Delay of Gates's Confirmation Sought

By Walter Pincus
and Dan Morgan
Washington Post Service

WASHINGTON — The chairman and vice chairman of the Senate select committee investigating the Iran-contra affair have asked that confirmation of Robert M. Gates as director of central intelligence be delayed until completion of the congressional inquiries, which could run at least through August.

The chairman, Daniel K. Inouye, Democrat of Hawaii, said that Mr. Gates, the deputy director of the Central Intelligence Agency, is serving as acting director following the resignation of William J. Casey. "It is not like a judicial appointment where there is a vacancy that has not been filled," he said.

Warren B. Rudman, Republican of New Hampshire, the vice chairman, agreed that the nomination should be delayed. But he emphasized that so far he did not see anything that would disqualify Mr. Gates from being head of the agency. Mr. Gates, 45, has been with the CIA for 20 years.

Both senators said the Tower Commission report could shed more light on Mr. Gates's role when it is released later in the week. The commission, named for its chairman, John G. Tower, the former Republican senator from Texas, is investigating the operations of the National Security Council in the Iran-contra affair.

Mr. Gates also was discussed critically on Tuesday during a Democratic caucus. The Senate majority leader, Robert C. Byrd,

Democrat of West Virginia, raised the question of Mr. Gates's nomination.

After the caucus, Mr. Byrd said that "the administration deserved itself by sending up the No. 2 man" who was "so close to the situation he is tainted by it."

CIA Denies Times Report
The CIA labeled as false on Wednesday a New York Times report Monday that Mr. Gates agreed to send a memo to the White House favoring arms dealings with Iran, United Press International reported from Washington.

An agency spokesman, George Lander, said the report "falsely alleged that Mr. Gates circulated a memo in the White House supporting arms dealings with Iran in order to win favor with senior officials."

Routine AIDS Test Questioned in U.S.

By Lawrence K. Altman
New York Times Service

ATLANTA — A consensus appeared to be emerging against widespread mandatory testing for infection with the AIDS virus as American public health officials met this week to discuss ways to curb the spread of the deadly viral disease.

The Centers for Disease Control, the main federal agency charged with tracking the spread of epidemics, called the meeting Tuesday and Wednesday to explore expanded uses of blood tests for infection with the virus that causes acquired immune deficiency syndrome.

Officials called for discussion of the possible value of requiring testing of, for example, all patients entering hospitals, all pregnant women and all applicants for marriage licenses.

Many people interpreted that suggestion as an indication that the federal government would actually propose such testing requirements. Opponents said such testing would be vulnerable to breaches of confidentiality. They also contended that it would be too broadly applied and might drive people most at risk from AIDS away from the health care system.

AIDS is caused by a virus that cripples the immune system, leaving patients vulnerable to infections and cancers. More than four out of five cases registered so far in the United States have involved homosexual or bisexual men or intravenous drug users.

Scientists do not know what portion of infected people will develop the disease, but they presume that all carriers of the virus can spread it to others through sexual intercourse, exchanges of blood or from mothers to newborns.

Dr. James O. Mason, the agency's director, insisted Tuesday that whatever testing did take place should be accompanied by strong legal protection against disclosure of the identities of people infected with the AIDS virus.

Dr. James W. Curran, who heads the AIDS program at the Centers for Disease Control, said at the meeting that strategies against the disease would have to be tailored to local conditions because of the disparities in infection rates among men and women and according to geographical and age factors.

For example, he said that in the states with the highest rates of infection, 3.34 percent of all men were estimated to be infected. In the states with the lowest rates of infection, the rate was only seven one-hundredths of 1 percent.

In the presentations and panel discussions Tuesday, there was broad consensus against mandatory or even routine testing for patients entering hospitals, pregnant women and applicants for marriage licenses.

Dr. Stephen Joseph, New York City's health commissioner, said at a news conference here that he had not heard a single public health official at the conference advocate mandatory testing for hospital patients or premarital screening.

"The drift or trend has been in another direction," he said, adding, "There needs to be a very large-scale increase in the availability and accessibility of counseling and testing" on a voluntary and confidential basis.

Dr. Joseph also stressed that expanded testing would require substantial investments in money and trained personnel and said federal officials should "put their money where their rhetoric is."

As of Monday, 31,036 cases of AIDS had been reported to the Centers for Disease Control, an increase of 640 from Feb. 2. Cases have been reported in every state and more than half were fatal.

Bavaria Orders AIDS Checks

Reuters

MUNICH — Bavaria announced anti-AIDS measures Wednesday that include compulsory testing for prostitutes, drug addicts, some foreigners and applicants for jobs in the public sector.

August Lang, interior minister in the Bavarian state government, said that prostitutes and drug addicts would be asked to have a test for AIDS. If they refused, they would be picked up by police and forced to comply, he said.

Under the measures, which took effect immediately, people from outside the European Community will be barred from settling in Bavaria unless they can prove they are free of the virus that causes acquired immune deficiency syndrome. All foreigners known to be infected with the virus will be refused a residence permit.

Prisoners and people detained during investigations will be tested on entering and leaving custody, and prisons might be equipped with AIDS stations, Mr. Lang said.

French Will Let Addicts Buy Syringes

Pharmacies in France will be allowed to sell syringes without prescription in a one-year experiment to fight AIDS among drug users, The Associated Press reported from Paris.

Health Minister Michèle Barzach, announcing the plan Tuesday, said the government would suspend a 1972 decree permitting syringe sales only with prescription or after an identity check. "It is not a matter of giving up the fight against drug addiction," she said. "But we have to be realistic, 50 to 80 percent of drug addicts are infected."

Dr. Claude Olivenstein, director of a drug treatment center in Paris, said the decision to lift restrictions on syringe sales was "courageous but late."

1988 Test Cited as Key To Deployment of SDI

By John H. Cushman Jr.
New York Times Service

WASHINGTON — A crucial missile-defense test scheduled in 1988, could lead to early deployment of a space-based shield against ballistic missiles, according to Defense Secretary Casper W. Weinberger.

Mr. Weinberger, in an interview Tuesday, said that the test, involving the destruction of a target in a collision with a prototype rocket, could best be carried out under a broadly permissive interpretation of the 1972 anti-ballistic missile treaty limiting such tests.

It was the first time that Mr. Weinberger had identified a specific test that could be accomplished under a new interpretation of the ABM treaty. Such a test, he said, could lead to deployment as early as 1993 or 1994.

His remarks on Tuesday came amid growing indications of strong opposition in the Senate to the re-interpretation of the ABM treaty.

The planned test would be the second in a series that began in September 1986. At that time, two separate stages of a Delta rocket were maneuvered into a collision in an experiment that was hailed as a breakthrough by the Defense Department but criticized as a treaty violation by opponents of the missile-defense plan.

Mr. Weinberger asserted that the ABM treaty, under the new interpretation, would allow development and testing of a wide variety of defensive systems, including those based in space. In his view, any technology that was not actually incorporated in anti-missile rockets, launchers or sensors of the sort that existed when the treaty was signed in 1972 is exempted from the prohibition on testing.

This is the broadest view yet put forth of the treaty reinterpretation, which has become the focus of arms control negotiations. It is an interpretation that some other arms control experts in the Reagan administration privately reject.

The Pentagon has been asked to give President Ronald Reagan a list of experiments that could be accomplished only under the broad interpretation of the treaty. Mr. Weinberger's remarks indicated

that details of future experiments remain uncertain pending a decision on the interpretation of the treaty.

He said the coming experiment in space could be carried out under the existing, strict interpretation of the treaty only if key elements of the test were omitted so that the prototype weapon being tested did not actually hit its target.

On Friday, Lieutenant General James A. Abrahamson, the director of the Strategic Defense Initiative Organization, said in an interview that he had decided to omit the actual interception from the test, officially known as Delta 181.

Mr. Weinberger has been a leading proponent within the administration of moving speedily toward deployment of a first phase of the space-based defense. Other administration officials, including State Department officials, have argued that the issue needs further study and that allies and the Congress need to be consulted before any new interpretation is adopted.

However, Mr. Weinberger said Tuesday that his views were also held by Mr. Reagan.

"A lot of people think we have not decided to do this," he said. "The president wants to deploy."

He said the earliest date for initial deployments of a partial defense, which would be based on a series of interceptors based on land and in space, would be in 1993 or 1994. He noted that no matter how the ABM treaty was interpreted, it would have to be abandoned in order to deploy space-based defenses.

As Mr. Weinberger spoke, two key senators asserted that they had won a promise from the administration to consult closely with the Congress before changing the legal interpretation of the ABM treaty.

Sam Nunn, Democrat of Georgia, the chairman of the Armed Services Committee, and Robert C. Byrd, Democrat of Virginia, the Senate majority leader, said that the administration had agreed to long consultation with the Senate before making a final decision on the interpretation of the treaty. Initially, Mr. Reagan had ordered that administration officials carry out consultations and report to him by March 2.

Democratic Governors Size Up Hart but Few Express Support

By Bill Peterson
Washington Post Service

WASHINGTON — Among the nation's Democratic governors meeting here this week, little support was evident for Gary Hart, the former Colorado senator widely regarded as the front-runner for the party's presidential nomination in 1988.

The governors, attending a meeting of the National Governors' Association, are actively looking beyond the current candidates for a 1988 standard-bearer, a process accelerated by the withdrawal from the race last week of Governor Mario M. Cuomo of New York.

Several Hart political operatives, including the former chairman of

the Democratic National Committee, Charles F. Manatt, met with governors here but conceded that Mr. Hart does not have much strength among governors and other "institutional Democrats."

"A lot of these guys don't know Gary," Mr. Manatt said. "Hart needs to meet with them."

Governor Cuomo praised Mr. Hart on Tuesday as an "extremely strong candidate," but he said Governor Michael S. Dukakis of Massachusetts was "a uniquely strong candidate."

A Hart candidacy would seem to have a natural appeal for such young Western governors as Booth Gardner of Washington, and Steve Cowper of Alaska. The former Col-

orado senator fared well in the West during 1984 primaries and still has a strong organization in Washington state.

But neither of the first-term governors is a big fan of Mr. Hart. Governor Gardner said that he and his wife "love" Governor Dukakis and that he could "do very well" in their state.

Governor Cowper likes a Southerner, Senator Sam Nunn, Democrat of Georgia, who has all but taken himself out of the race. "People think he is solid and sensible," Governor Cowper said.

"There's a natural desire to go with a winner," said Gerald L. Bailey, governor of Virginia. "Right now, governors don't see one. No bandwagon psychology is at work yet. No one wants to close their options."

Governor Gardner said, "I really believe people are looking for an alternative to Hart. It's tough being a front-runner in this kind of race."

Both Governor Dukakis and Governor Bill Clinton of Arkansas, the association's chairman, are beneficiaries of such sentiments. Each is considering entering the race.

During the four-day convention, Mr. Dukakis held private meetings with governors and party leaders, including the 1984 presidential nominee, Walter F. Mondale, the former House speaker, Thomas P.

O'Neill Jr., a Democrat of Massachusetts, and Hamilton Jordan, a political strategist under former President Jimmy Carter.

Governor Terry E. Branstad, a Republican of Iowa, said Mr. Hart has "a commanding lead" in his state.

"It's very much like the Mondale situation in 1984," Governor Branstad said. Mr. Mondale used his position as front-runner to dominate Iowa precinct caucuses. Mr. Dukakis, Mr. Branstad said, did not create a favorable impression during a recent visit to Iowa and that "the last guy from Massachusetts who came to Iowa," Senator Edward M. Kennedy, "pretty much fell flat on his face."

Cuomo's Kind Words
In an interview with The New York Times, Governor Cuomo had kind words for most of the presidential hopefuls, but he seemed somewhat reserved in his comments about Mr. Hart.

Pressed to say if he could enthusiastically support Mr. Hart if he won the Democratic nomination in 1988, Mr. Cuomo said, "I could support, I hope, any Democrat enthusiastically."

Regarding Mr. Hart, he said: "I don't see any reason why not at this point, but it's still early," said the governor, who managed Mr. Mon-

dale's New York primary campaign against Mr. Hart in 1984, a contest that at times was marked by sharp exchanges.

Governor Cuomo continued: "What's he going to say from here on out? One of Gary's charms in 1984 was that he was an exuberant seeker of the office and he had all kinds of, at least attempts at, new ideas. Let's see what happens now that he is the front-runner. We don't want to see him go from being so glib to so guarded."

Mr. Cuomo's reference was to Mr. Hart's refrain in his 1984 campaign against Mr. Mondale: "Where's the best?"

Although political experts agree that Mr. Hart has gone far in laying out specific proposals in domestic and foreign policy, Governor Cuomo suggested that the Colorado Democrat still had some questions to answer.



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A Call for Nixon to Negotiate

New York Times Service

WASHINGTON — Governor Mario M. Cuomo of New York, exercising his new freedom from presidential politics, has proposed making former President Richard M. Nixon the nation's chief negotiator on arms control.

Mr. Cuomo, who last week announced that he would not seek the Democratic presidential nomination in 1988, said President Ronald Reagan should ask Mr. Nixon to take the lead in negotiating an arms treaty with the Soviet Union.

Asked why he would propose this, Mr. Cuomo replied: "He would obviously have the respect of Republicans and probably would have the respect of the U.S.S.R., which is a pretty good reason. He couldn't hurt you. So why not? He might be able to make a deal that nobody else has been able to make so far."

He said Democrats should not be concerned about Mr. Nixon's playing such a role because neither the former president nor anyone else could achieve an agreement on arms control unless it satisfied Senator Sam Nunn of Georgia, chairman of the Senate Armed Services Committee. Mr. Nunn, a Democrat, is perhaps the most influential member of Congress on national security issues.

Governor Cuomo said he had been pleased to read an Op-Ed column in The New York Times on Tuesday in which Dimitri K. Simes, a senior associate at the Car-

negie Endowment for International Peace, called for giving Mr. Nixon a key role in arms control.

The governor said Mr. Reagan's performance last October at the Icelandic summit meeting with Mikhail S. Gorbachev, the Soviet leader, was "unimpressive," and he suggested that Mr. Reagan could not afford to put himself in the position of having "Gorbachev saying, 'O.K., get it right this time.'"

Regarding Mr. Hart, he said: "I don't see any reason why not at this point, but it's still early," said the governor, who managed Mr. Mon-

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Reagan Can't Remember

Ten weeks ago, White House aides brided at the joke about the Iran-contra crisis: What did President Ronald Reagan forget and when did he forget it? As things have turned out, it was no joke.

Did he approve the first shipment of arms to Iran in 1985? He cannot remember, he genuinely cannot remember, according to a senior official. Mr. Reagan himself concurred in that proposition Tuesday. "It's possible to forget," he said, asking a group of visitors if any could remember what they were doing on Aug. 8, 1985. None could.

But it is not likely that any of his guests had been called on to do anything as bizarre, contrary or indecipherable as Mr. Reagan to approve arms shipments to Iran. Why, just a month before, on July 8, as noted by James Schlesinger, the former defense secretary, Mr. Reagan had called Iran a prime example of "outlaw states run by the strangest collection of mafias, Looney Tunes and squalid criminals since the advent of the Third Reich." It may be possible to forget approving arms for mafias, Looney Tunes and squalid criminals, but the claim is no more reassuring than any of the accounts the president and his men have provided since the scandal began, yielding circles within circles as each account has broken down.

There is reason to believe that the original decision to deal with Iran, contrary to all anti-terror pronouncements, was prompted by a reckless desire to free hostages. When

the enterprise was exposed, the primary response evident among the president's men was to disguise it. As that effort failed, everything seemed to focus on rationing out statements or corrections, one every few days.

Meanwhile the White House turned from bully pulpit into whirlpool, churning around an apparent gap at the center. The president's State of the Union address could have been a nationally televised platform for the regret and renewal the country would have welcomed. It came out sounding like a rerun. Meanwhile, old hands who might once have rallied round the president are themselves under investigation: Michael Deaver, Lynn Novak, and others. And recruiting replacements becomes difficult.

Meanwhile, there is concern about Mr. Reagan's strength. Three months after his last news conference and seven weeks after his prostate surgery he remains largely shielded from reporters' questions. Meanwhile, the White House is consumed with bickering, scapegoating, finger-pointing. It was all Oliver North's doing, or John Poindexter's. Blame William Casey. Question Robert McFarlane. Fire Donald Regan. Fudge the facts. Each inflamed voice urges the same priority: Evade the blame. There is only one sure way to do that: Govern the country.

—THE NEW YORK TIMES

Brazil Versus the Banks

Brazil's moratorium on its interest payments brings the international game of chicken over Latin American debts to a new and dangerous phase. In this test of wills and nerves, each side has a great deal to lose if it overplays its position. If Brazil treats its obligations recklessly, it will be cut off from all further foreign credit, with dire economic consequences for President José Sarney's government from which no amount of nationalistic chest-thumping can rescue it.

As for the banks that are Brazil's creditors, their situation is better than when the crisis began. They have had time to accumulate reserves against these debts. But that seems to have made some of them arrogant and inflexible. In particular, Citicorp of New York, head of the lenders' committee, has carried its intransigence, and its insistence on the last nickel, to a point that has begun to draw sharp objections from the Reagan administration.

Brazil is not an isolated case. The banks agreed in principle to the Mexican refinancing nearly five months ago, but have yet to come up with the money. The same banks, with Citicorp apparently in the lead again, have been carrying on a long, corrosive quarrel with the Philippines over its debts. If the banks cannot bring these cases to reasonable ends, they invite a solution imposed by the U.S. government. They will not like it, but there is too much at stake to leave the outcome, or lack of it, to bankers grappling for another eighth of a point in interest.

The banks might usefully reflect that they have a lot at stake in Washington these days. If, to take the worst case, Congress should decide a couple of years from now that the banks were collectively responsible for a collapse of a struggling new democratic government in Brazil, those banks will have difficulty persuading anyone in Congress that they are fit to hold the broad new powers for which they are now lobbying.

But Brazil has responsibilities as well. It will not help to get sentimental over that country's distress, which is largely self-inflicted. Brazil has used more than \$100 billion of the world's savings to build dams, factories, railroads and all the rest. Those investments were, in general, good ones and can repay the lenders. President Sarney says defiantly that Brazil is entitled to grow. That is true, but is not the issue. Brazil grew last year at a phenomenal rate, perhaps 12 percent. Its spectacularly successful export drive has faded because Mr. Sarney has been trying to buy popularity with grossly inflationary wage increases. The goods being sold abroad two years ago now are being consumed at home. Brazil's inability to make its debt payments is the result of its internal economic troubles, not the cause of them.

The outlines of the necessary compromise are pretty clear. The banks are going to have to put up some new money, with no foot-dragging, and on better terms than in the past. Brazil, for its part, is going to have to keep up its payments. It is not entitled to default. But it is entitled to generous treatment from the banks, which have been profiting mightily from these loans.

—THE WASHINGTON POST

'Punto Final' to Justice

Some of the most notorious torturers and commanders of Argentina's "dirty war" have now been granted amnesty. A historic process of legal accountability begun on the basis of clear principle has been transformed into an unsatisfying and potentially dangerous mess. President Raúl Alfonsín, who deserves most of the credit for that noble beginning, also deserves most of the responsibility for this unseemly "punto final," or full stop.

In 1983, as the newly elected president, he bravely defied the military when he insisted on trials. The generals, humbled by defeat in the Falklands, still held key levers of power. Mr. Alfonsín understood that democracy required accounting for the 9,000 or more who were killed in the seven-year dirty war. Former junta members and police commanders were convicted and sentenced.

But eventually, despite strong public support for continued prosecution, Mr. Alfonsín changed tack, heeding the pleas of the military and the civilian right. Last December, citing a desire for national reconciliation

and a supposed military threat, he pushed a law through the Argentine Congress that set tight timetables for filing and resolving thousands of unprosecuted cases. To their credit, courts suspended scheduled recesses and have produced, thus far, a surprising 150 further summonses to trial. Beyond these and a few special cases to be resolved in coming weeks, no new charges or investigations will be considered.

Paradoxically, the pragmatic goals for which principle was sacrificed have not been achieved. Some 30 active-duty officers were included by the courts among the last cases. This was the right decision, but it could also ignite the military danger. And cynicism, not reconciliation, is the most likely response to seeing so much evil go unpunished.

When Mr. Alfonsín insisted on trials for the uniformed criminals of the dirty war, he did much to strengthen the spirit of a country that had reached the brink of moral devastation. Sadly, his "punto final" dilutes this remarkable achievement.

—THE NEW YORK TIMES

Other Comment

The Peres-Shamir Dispute

A row, perhaps a pseudo-row, has broken out again in Israel about the form that negotiations with the Arabs should take. It was aggravated Monday by a statement from the foreign ministers of the 12 European Community member states that supports the position of Shimon Peres against that of his prime minister, Yitzhak Shamir. Mr. Peres, now foreign minister under the rotation agreement, arrived Wednesday in Cairo for further talks about the process and already has agreed in principle that the forum should be an international conference with both superpowers present. Mr. Shamir strongly resists this approach and has publicly threatened that the dispute could bring down the coalition.

Apart from Mr. Shamir and his Likud colleagues only the United States is opposed

to a conference under UN supervision, and the U.S. objections might well be overcome by tact on the Soviet side and persuasion on the European. Mr. Shamir opposes anything other than direct talks with Jordan and others. But the difference between his position and that of Mr. Peres is not as great as it seems. Neither is willing to negotiate directly with the Palestinians, except those of their own choosing, which is why President Ronald Reagan's Middle East peace plan has gotten nowhere. Direct negotiation, however disguised, would be needed even at a UN conference. The United States has sent envoys on the Middle East shuttle countless times to bring together a Jordanian-Palestinian delegation acceptable to Israel. But U.S. standing in the region is at an all-time low. Mr. Shamir has little reason, on this score, to fear for the survival of his coalition.

—The Guardian (London)

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OPINION

West Should Hope Gorbachev Prevails, but Not Help

By Michel Tatu

This is the first of two articles.

PARIS — Most Western governments and observers now are convinced that Mikhail Gorbachev is serious when he calls for the "restructuring" of Soviet society and a new way of thinking by Communist leaders. In the past two months, we have seen Kremlin watchers the world over rushing to review their appraisal of Soviet policy after a long period of skepticism. Let us hope that we will not jump from one extreme to the other.

Since Mr. Gorbachev is genuinely trying to modernize the Soviet system through "openness" and a little more democracy, the question is being raised whether the West should help him in this effort. And if so, how. Is Hans-Dietrich Genscher, the West German foreign minister, right when he says we should try to "influence the evolution in the U.S.S.R. and participate in its implementation" in order to accelerate it? The debate is open. Let me contribute some tentative, and contradictory, observations.

First, for anyone who believes in the Western values of democracy and pluralism, what is happening in the Soviet Union today is a more pleasant sight than anything that happened under Stalin or Brezhnev, and more exciting than the non-events of the period of "ossification" under Konstantin Chernenko. Thus, we cannot resist a feeling of sympathy for Mr. Gorbachev.

The second observation, however, points in the opposite direction. Since it is obvious that the new Soviet leader has no intention of de-

stroying the Communist system but merely wants to make it more effective, would it not be safer in the long run — in view of the expansionist nature of Marxist ideology — to live with an "ossified" and conservative Communist bureaucracy of the Brezhnev-Chernenko type than with a modernized and dynamic Soviet Union? In the economic realm, assuming that Mr. Gorbachev succeeds, would we prefer the competition of a new Soviet superpower to the perpetuation of a permanently underdeveloped consumer of Western industrial goods and wheat? Let us not forget that even a westernized Russia, by her sheer superpower weight, would still be a problem for Europe, and in particular for her neighbors, just as the United States is a problem for Latin America.

The third observation qualifies the first and second. If a totalitarian system opens itself even partially and chooses economic reforms, it tends to moderate its foreign policy. Domestic change needs a peaceful environment and is hardly compatible with militarism or expansionism. China, for instance, improved her relations with most nations, including the Soviet Union, during the period of reforms of the past few years. This is also the view of Andrei Sakharov, who has been quoted as saying that "a more open and democratic Soviet

Union would be a great safeguard to peace."

We conclude, therefore, by a score of two to one, that what Mr. Gorbachev is doing is good, even though it is clear it is not enough. Can he be helped to move further in his chosen direction? Here some other remarks have to be made.

First, there is little that can be done. The Soviet system is designed to function independently of the forces that are not an integral part of it. Propaganda aside, neither the Soviet population at large nor any foreign power is permitted to influence it. Attempts by Western governments to change the political course of the Soviet Union through economic concessions have been just as fruitless as foreign economic sanctions.

Secondly, foreign support or official sympathy for any Soviet leader will always be counterproductive. The old Lenin quote which says that "if the enemy is praising you, it means you have made a mistake" still has currency in Moscow. Many of the good things Western officials already have said about Mr. Gorbachev are likely to have aided his conservative opponents in the party apparatus who have nicknamed him "the Soviet Dubcek" after the ill-fated leader of the Prague Spring in 1968.

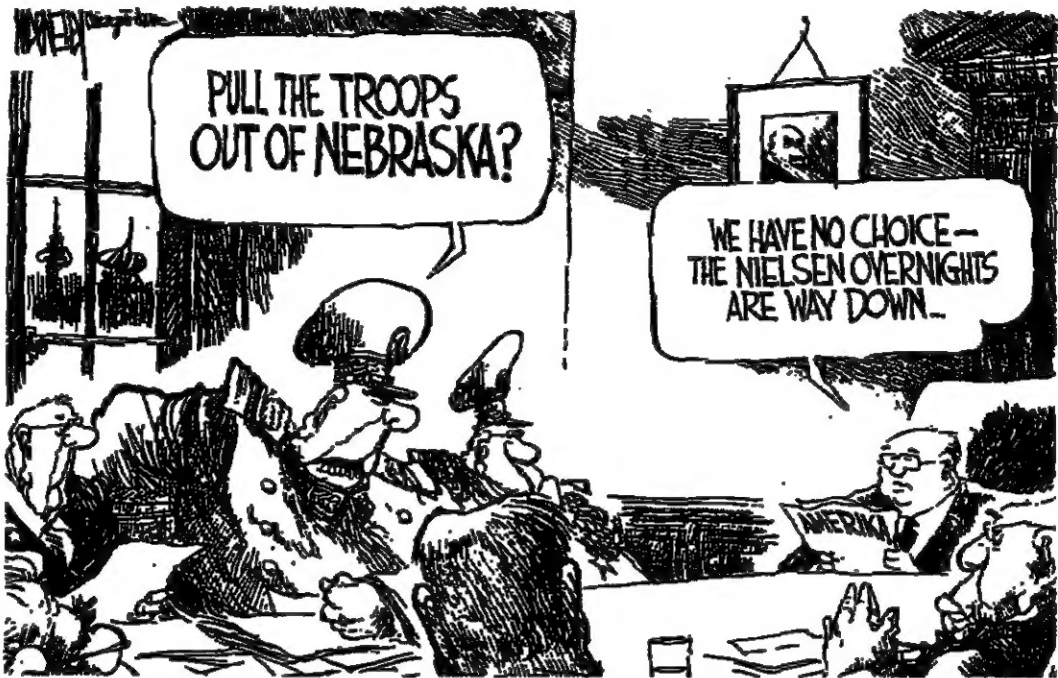
Third, one may wonder whether the question of "helping" Mr. Gorbachev should be asked at

all. The chief objective of any government must be to look after its own national interests, not attempting to influence others on issues that have only an indirect bearing on international relations. If, in arms control negotiations, the West were to make concessions to the Soviet Union merely out of a desire to strengthen Mr. Gorbachev and help him stay in power, it would jeopardize the progress we have seen so far. Mr. Gorbachev has changed his position in some of the disarmament talks not because the West encouraged him to do so but because his previous positions were rejected.

Under Brezhnev, for instance, the Kremlin tried to extract more favorable conditions on the SALT 1 and 2 arms accords by using a similar argument: that the West should "be kind to the good" Brezhnev, or you will have to deal with the "bad" generals. Ceding to this argument would be the worst possible case that could be made of kreninology, whose aim is not to find recipes for action but, more modestly, a better understanding of the facts.

So the answer to the question of helping Gorbachev is "No." But this does not prevent us from watching events in the Soviet Union with interest, and with a pinch of hope.

The writer, a leading commentator on international affairs, is an editorial writer for *Le Monde*, the French daily. He contributed this comment to the *International Herald Tribune*.



Reagan Is Erring Badly in Backing Iran

By Milton Viorst

WASHINGTON — The Reagan administration, though publicly proclaiming its arms delivery to Iran to have been an aberration of policy, tells us by its continued overtures to so-called moderates in Iran that its passion has not abated.

Even in acknowledging that "mistakes have been made," President Ronald Reagan has chosen conspicuously not to disavow his courtship of Iran. His administration, unapologetic about its surreptitious exercise of policy, seems to have adjusted to the prospect of an Iranian victory over Iraq in the seven-year Gulf war.

The administration justifies a shift away from its pro-Iraq stance by citing Moscow's designs upon Iran, the large country in the Gulf region. Its aim is to coax Iran back to the Western camp after the death of its leader, the 86-year-old Ayatollah Ruhollah Khomeini. But what Mr. Reagan and those around him fail to appreciate is that revolutionary Iran is definitely aligned neither with the West nor the East. It sees itself as a new and dynamic force, carrying the banner of Islam in world affairs. This perception is unlikely to change during the current regime, with or without Mr. Khomeini.

The White House seems to perceive Iran as just another Third World nation, but that would be a mistake. Unlike other Third World nations, Iran's primary goal is not economic development but ideological and territorial expansion. In that sense, it is a classic imperial state. That is what its war against Iraq is all about.

Should Iraq fall, there is nothing, as long as Washington remains an impotent bystander, to prevent Iran from extending its control over the entire region. The Gulf states by themselves have no way of stopping Iran's armies. Without unequivocal U.S. support, they are unlikely even to try.

Make no mistake: Once Iran controlled the Gulf, it would become a major power — despite poverty and underdevelopment — promoting its dogma on an increasingly wider stage. It would have dominion over half the globe's oil reserves, which would mean for Western consumers a tripling of the oil price, to \$50 a barrel.

It would provide money, leadership and dynamism to fundamentalist movements throughout the Middle East. Directing local militias rather than its own army, Iran could turn the region into a satellite bloc, stamping out U.S. influence altogether.

The Reagan administration insists Iran has recently become "pragmat-

ic" in its international relations. The evidence cited is the assurance Iran has offered its Gulf neighbors, that it has given up its designs on them. Yet there is not a responsible political leader in the Gulf who believes it.

Mr. Reagan, however concerned he is about American hostages, has not grasped that hostage-taking is a weapon used to spread Iranian imperialism. As a candidate, Mr. Reagan ridiculed Jimmy Carter for tolerating the seizure of the U.S. Embassy in Teheran in 1979, and he later boasted that he had enabled America to "stand tall" again. But by trading arms for captured Americans, he has played into Ayatollah Khomeini's hands, demonstrating the power of a regime unconstrained by the common strictures of morality.

Obsessed by Colonel Moammar Gadhafi, who is at worst a pebble in America's shoe, Mr. Reagan has overlooked the real threat to U.S. interests in the region. The administration keeps a huge battle fleet in the Eastern

Mediterranean, ready to strike Libya or Lebanon, while in the Gulf, which Iran would transform into a private lake, it deploys less power than is needed to safeguard a free crossing. Since Mr. Reagan took office, Washington has spent nearly \$2 billion for defense, emphasizing huge strategic weapons systems as a deterrent to the Soviet Union. But in the Gulf, where the threat is equally real and far more immediate, the United States has neither the forces nor the will to deter an Iranian advance.

In a little-noted statement made last month, Mr. Reagan condemned Iran's occupation of Iraqi territory. But his protest fell short. With ample reason, Iran is convinced that the United States will do nothing to stop a defeat of Iraq. This is an impression the Reagan administration must correct, or the United States and its allies, especially those in the Gulf, may be sorry for generations to come.

The writer, a Middle East specialist, recently returned from a tour of the Persian Gulf region. He contributed this comment to *The New York Times*.

U.S. Is Running Out of Time in Seoul

By Edward W. Poitras

SEOUL — The political confrontation in South Korea seems to be heading toward another crisis, which the United States should try to prevent from becoming violent.

Twice within four months armies of police have been deployed to prevent the growth of a repressive police state. Most South Koreans consider Mr. Chun to be a vicious man because of the blood spilled during his rise to power, especially in the Kwangju massacre of May 1980.

Even middle-class citizens, who usually keep their opinions to themselves, recently began openly expressing disgust at the intensifying repression. The government's legitimacy has never been established despite attempts to prove respectability through elections, which were questionable.

The lack of public support is compounded by anger over endemic corruption. Mr. Chun's opponents have taken a more aggressive stance, publicly ridiculing him and his wife.

Meanwhile, Mr. Chun and his cohorts are preoccupied with their fate should they lose power. They have done everything possible to foster division and weaken the opposition. Distrust based on regionalism, character defamation, threats and bribery are exploited, but the yield of such tactics seems to be declining. Many are also beginning to see the hypocrisy of the regime's advocacy of reasonable discussion even as it maintains, through violence, its one-party control of the National Assembly.

U.S. economic and military interests in South Korea make it difficult for most Reagan administration and Pentagon officials to face the possibility of a change in the military-oriented government. The complexity of the Japanese involvement in South Korea, regional tensions in the East and the recent atmosphere of visceral anti-Communism in Washington all combine to make it difficult for the United States to modify its support for the Chun government.

For the sake of long-range regional stability, however, Washington must openly encourage free expression, even the voting out of the present regime. That implies more than Mr. Chun's departure. It means an end of military rule, which a large number

of younger officers would support. Despite any reservations Washington may have about two key opposition leaders, Kim Dae Jung and Kim Young Sam, no other figures have the opposition or visibility to lead the opposition at this time, so the United States must come to terms with them. If these mainline political leaders are losing ground, it is to a growing, violent radical fringe, which is an ominous sign accompanied by intensifying anti-Americanism.

If change cannot come soon through elections, then violent confrontation will continue to escalate. At present, there is no contest, since the government can mobilize the force needed to keep the lid on. If, however, the United States helps to redress the balance by supporting the legitimate demands of the opposition and the public, then a peaceful solution could be possible. This could be Washington's last chance for a long time to contribute to South Korea's peaceful democratic progress.

The writer teaches at the Methodist Theological Seminary in Seoul. He contributed this comment to *The New York Times*.

Belgians Are Dreaming EC Leaders Wake to Crisis

By Giles Merritt

BRUSSELS — Bettino Craxi stretched out his long legs toward the log fire and launched into a concise and brilliant account of the battle for jobs now being waged in Italy's poor southern region of Mezzogiorno. In the armchair beside him, Margaret Thatcher stirred impatiently and, as he finished, responded sharply with her analysis of the future costs of industrial reorganization in the battered north of England.

All eyes in the chateau's richly paneled drawing room were on the two protagonists. Helmut Kohl's bulk filled one of the narrow window seats, almost blocking out the view behind him of the wooded Belgian Ardennes. Opposite Mr. Craxi sat François Mitterrand, his head sunk reflectively on his chest, and elsewhere around the room, in a variety of relaxed poses, were seated the leaders of the eight other countries of the European Community.

A 13th man made up the company's number. Jacques Delors, president of the European Commission, the Common Market's executive body in Brussels, then jumped into a huff in the conversation to snap out a string of irritable questions.

"What exactly is it you all want of the community?" he asked. "Do you want to support your farmers or your factory workers? Do you want national or community-level policies? Do you want to streamline Europe or to feathered it?"

As he finished, the room erupted into a babble of furious debate...

The above is fictional, a device used in the way Hollywood smears grease around the edges of a camera lens to denote a dream sequence. For it is the sort of frank exchange that some people in the Belgian government have been dreaming might take place among Europe's leaders.

The Belgians, who currently hold the revolving six-month presidency of the EC council of ministers, have been mulling over the idea of an informal EC summit meeting in late March. The chances of it coming

about are slim, for the civil servants and diplomats who really decide such things abhor novelty. They also do not much like the idea of what might ensue if their prime ministers became involved in wide-ranging discussions without their "official" guidance.

The practical difficulties of getting the EC heads of government together for a chat as short notice as conceivable, especially as there would be neither agenda nor communiqué to mark the occasion. But the need for an early and objective look at the community's latest crisis is compelling.

The EC is once again in a muddle, and this time it is serious. The Europeans have reached a watermarked in the development of the Common

If the EC can't go bankrupt, running out of cash would be a nightmare.

Market, and it is one that calls for some fundamental choices by the leaders instead of the political patch-up that officialdom contrives.

To recap the nature of the present mess: This year's budget crisis is genuine trouble because, in mid-1986, EC spending will exceed the overall ceiling of 1.4 percent of the member states' receipts of value added tax, or VAT. In previous years the EC merely went over its annual budget limits, so all the squabbling really was about the amount of borrowing to be allowed against future years. Even if the community can never be truly bankrupt, like a failed business, running out of cash would be a legal and political nightmare.

Mr. Delors has announced that to cope with the demands of the Common Agricultural Policy and the various industrial, social and regional support programs, a new ceiling of 2 percent of VAT, equivalent to 1.4 percent of the EC countries' gross national products, is needed. That hike, of almost a third in the EC budget, to nearly 60 billion ECU a year, also would help defuse north-south tensions inside the Common Market by boosting the incomes of Mediterranean farm workers.

His demands have sparked a furor. "Tim the agricultural policy's extravagant farm subsidies," scream the British, French and West German governments. Those three are entitled to be worried, because they are the EC's only net budget contributors. But they also are its major recipients. Paris, Bonn and London must therefore be in conjunction with the others what sort of EC they want. Do they wish to switch money from the farms to the factories? Or do they want to spend money on both?

A farm policy expert, Brian Gardner of Agri-Europe, reckons that if the safety net of Common Agricultural Policy payments was swept away, about two-thirds of Europe's eight million farmers probably would be driven off the land. But that does not mean that farm support cannot be re-nationalized to some degree. The agricultural policy, in fact, accounts for only half of all farm subsidization in the EC, and it would not be hard to reduce it further.

European governments then could fine-tune their own social policies in farm areas. Any resulting slack in the EC budget could be directed toward community-wide industrial policies.

International Herald Tribune

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: Lawless New York

NEW YORK — New York City is much concerned over the numerous hold-ups and shooting affairs in the streets this winter, the boldest of which was the robbery in broad daylight of two bank messengers in Trinity Place, near Wall Street. The two robbers beat the messengers into insensibility, and escaped in an automobile with a bag containing \$25,000 in currency. Almost at the same time robbers wrecked a bank at 267 Elizabeth Street, when they used an overcharge of dynamite to blow open the safe, the frequency of robberies has alarmed political leaders, and in response to their appeals influential Tammany Hall men have been sent out to urge leaders of the bands to cease "gun fights." William Devary, former Chief of Police, says lawlessness in New York is unprecedented.

1937: Battle for Oviedo

FRANCO-SPANISH FRONTIER — Latest government reports said the Asturian miners had succeeded in advancing as far as the Plaza America, inside Oviedo, and inflicting heavy losses on the city's defenders. The government's four-day attack was checked temporarily, the Nationalists reported, when the fourth wave of Reds broke against the defenses within the besieged city. At the same time, the White commander in the garrison reported by radio that "They won't break through. Oviedo will resist. We have now all the men and material we need to hold off the Reds." Wave after wave of government troops have been crashing against the White defenses since Feb. 22. Terrific losses were reported, estimates say the attacking suffered 10,000 casualties, the defending troops and civilian population perhaps 6,000.

LETTERS TO THE EDITOR

Filipino Land Reform

Genuine land reform in the Philippines is necessary and inevitable, but the Aquino government must capitalize on its tremendous political support and begin the program before Congress convenes in July. If it waits, it is probable that landlords and big plantation owners will water down the proposals and the Communists will continue to exploit the situation.

We must learn from the successful land reform programs of Japan, South Korea and Taiwan. Land reform and its timing will determine the success or failure of the newly born democracy.

RONALDO D. TESORO

Manila

Patronizing Ecuador

With reference to "It Is Time to Start Caring About Ecuador" (Feb.

17) by A.M. Rosenthal, I would like to say that we Ecuadorians reject the implied patronizing by the United States. We are an independent state able to rule our own affairs and capable of defending our way of life without assistance from any other power. Mr. Rosenthal seems to be saying that the Ecuadorian armed forces will step in, with or without the president, if the feuding and paralyzing continue.

Ecuador's armed forces are a reflection of our society, and as such are not attached to any political creed, as shown in the past. So nobody knows the color of the banner a would-be military government would fly. Even Mr. Rosenthal, but what matters to Ecuadorians is not the duration of this government or any other, but our nation's survival in a world poisoned by the struggle for supremacy.

JOSE S. SEVILLA

Zurich

Aquino Marks Revolt By Urging Army to Defend Democracy

By Keith B. Richburg
Washington Post Service

MANILA — President Corason C. Aquino, speaking Wednesday on the anniversary of last year's revolt, praised the military for its role in toppling President Ferdinand E. Marcos, but she urged the army to turn its attention to protecting the country's democracy.

"The military's refusal to turn against the people was a feat worthy of admiration," said Mrs. Aquino, whose campaign for the presidency last year galvanized a nation in opposition to Mr. Marcos's authoritarian rule.

"You disobeyed the dictator in obedience to the higher call of freedom," Mrs. Aquino said, "and for that, you will be rewarded."

On Feb. 22 last year, a small faction of the military announced it was withdrawing support from Mr. Marcos and recognizing Mrs. Aquino as the winner of the presidential election. At the urging of Cardinal Jaime Sin, the powerful archbishop of Manila, more than a million citizens surrounded the two military camps the rebels controlled and blocked government tanks from entering.

Four days later, under mounting military defections and pressure from U.S. officials, Mr. Marcos fled to Hawaii in exile. He left behind a powerful military establishment demoralized after years of acting as his personal security force, but also highly politicized after the success of the anti-Marcos rebellion.

Since the revolt, some factions in the military have considered the army a kingmaker of the civilian government that keeps Mrs. Aquino off balance under the constant threat of a coup.

"Our people turned to defend your lives," Mrs. Aquino said during a flag-raising ceremony at Camp Aguinaldo, site of the rebellion. "It is now your part to defend their freedom."

Vice President Salvador H. Laurel was more blunt in his speech largely directed at the military. Mr. Laurel said one of the lessons of the revolution was that "the military must always uphold civilian rule and must never wrest power for themselves." The revolution, he said, demonstrated "a reversal of roles," since "survival of the military depended on the people."

As a symbolic measure of the government's partial success in gaining control of the military, most of the key figures who led last year's revolt were absent from Wednesday festivities.

One was Juan Ponce Enrile, Mr. Marcos's defense minister whose defection triggered the rebellion. The clique of young middle-level officers who supported Mr. Enrile and were the core of the revolt, were absent as well. They were once akin to cult heroes here, appearing on posters with machine guns blazing. But they have been largely discredited and neutralized after being implicated in several anti-Aquino coup conspiracies.

Mr. Enrile's rapid shift to the political sidelines and the neutralization of the young officers that backed him are perhaps the most visible political change here one year after the revolution.

The speeches Wednesday by Mrs. Aquino and Mr. Laurel were part of a long day of street celebrations to mark the first anniversary of Mr. Marcos's departure. The days events included five helicopters flying overhead, a parachute jump exhibition, and songs by the American folk trio, Peter, Paul, and Mary.

He was quoted by the newspaper Selskaya Zhizn on Wednesday as saying 20,000 people had been evacuated from areas where heavy snowfalls, followed by warm spells, caused avalanches and flooding.

Flood and Avalanche Toll Is 88 in Soviet Georgia

MOSCOW — Floods, avalanches and landslides due have killed 88 people and caused widespread destruction since the start of the year in Soviet Georgia, the republic's government leader, Otar E. Cherkizov, said.

He was quoted by the newspaper Selskaya Zhizn on Wednesday as saying 20,000 people had been evacuated from areas where heavy snowfalls, followed by warm spells, caused avalanches and flooding.

Aquino's Flexibility Slows Rebel Momentum

By Jim Hoagland
Washington Post Service

MANILA — The Reagan administration's year-old gamble that Corason C. Aquino could rally the Philippines against a growing Communist-led insurgency better than Ferdinand E. Marcos appears to be paying off.

Mrs. Aquino has not quelled the revolt, which was an urgent foreign policy problem for Washington a year ago. There are still about 23,500 rebel fighters of the New People's Army in the field.

But the president has succeeded in throwing the rebels off balance, establishing herself in public opinion as a moderate interested in social justice. This has significantly slowed the momentum the rebels had been accruing against the Marcos government over 18 years.

Mr. Marcos fled into exile a year ago Wednesday, after U.S. policy makers exerted pressure on him to yield power. They acted out of concern over Mr. Marcos's ineffectiveness in opposing the rebels, U.S. officials said at the time.

Today, Washington appears reassured by recent changes in leadership in the army and in field operations in the Philippines.

While the insurgency is still a source of concern, it appears to have lost much of the urgency that made it a top-priority problem for U.S. officials in February 1986.

Senior Philippine military officials said that there had been a 24-percent decline in violent incidents in the countryside over the past year. They also contended that 343 rebels and 766 of their political workers had been killed in 1986.

It has been a year in which both the rebels and the army have had to adjust to Mrs. Aquino's middle-of-the-road policies, which emphasize exploring the chances for a peaceful settlement with the rebels while improving the Philippine military's capability to defeat them in the field.

"We have to rethink things," acknowledged Carolina Malay-Ocampo, a top representative of the National Democratic Front, the political arm of the New People's Army. "We have to have new ideas to deal with a new situation."

She added: "Mrs. Aquino seems to have second thoughts about the military option, whereas Marcos would just have gone straight ahead. She says she wants a peace settlement. We have to see. We would never take such statements seriously from Marcos."

Ms. Malay-Ocampo was a member of the rebel delegation that engaged in unsuccessful negotiations with the government while a 60-day cease-fire proposed by Mrs. Aquino was in effect.

The cease-fire ended Feb. 8 and each side appears to be gearing up for a new round of fighting. But the guerrillas also have decided to encourage surrogate organizations to participate in the political battle for favorable public opinion as a response to Mrs. Aquino's more flexible policies.

"We haven't given up on the option of negotiating a peace settlement," she said. "But we cannot give up the option of the armed struggle either. If we did, they would just kill us."

"They are applying parliamentary struggle instead of the armed struggle simultaneously," Defense Minister Rafael M. Alcala said of the rebels.

He described the government's strategy as "a balanced approach" between political reform and military pressure.

"If you use a soft approach, you can't win them all over," he said. "If you use the hard approach, you can't kill them all. You have to put them under pressure, and be ready to talk."

Since taking over the Defense Department in November, Mr. Alcala has moved quickly to correct many of the shortcomings that U.S. policy makers and others had criticized under Mr. Marcos.

The Marcos administration promoted military officers for their personal loyalty, and gave them money and favors, while failing to supply troops fighting the rebels.

At least 40 generals have been retired in the past year, officers report, and battalions that had been near Manila to protect Mr. Marcos have been moved out.

"We found there was too much money spent on public relations, on intelligence that was not related to combat capability," said Mr. Alcala. "We are spending money on ammunition and on gasoline for helicopters to go after" the rebels.



POLICE BREAK UP SEOUL PROTEST — Opposition militants led by Kim Young-Sam, second from right in front, tried to enter the Seoul headquarters of his Council for the Promotion of Democracy, where they were to hold a rally on Wednesday. Hundreds of police blocked the entrance to the building and detained several people.

BEGUN: Activist Tells of 'Terrible' Solitude in Soviet Jail

(Continued from Page 1)

he was sentenced to seven years in labor camp and five years of internal exile.

He served the first year in a labor camp outside of the city of Perm, near the Ural Mountains, and then was moved in April 1985 to Chistopol, about 85 miles (about 140 kilometers) from Kazan, a city on the Volga River. In addition to political prisoners, Chistopol is reported to house about 1,000 criminals.

The cell was smaller and darker than the regular cells. Food rations there were one pound (about half a kilogram) of black bread and salt and hot water twice a day. The bed was a wooden plank that in the daytime folded up against the wall, he said.

Some of the isolation cells were "relatively warm," but others were so cold at night that to sleep, Mr. Begun said, he would run around the cell to keep warm, fall asleep and in an hour wake up from the cold.

According to Mr. Begun, the guards at Chistopol were "very polite" with political prisoners, but the punishment was "very terrible." He said the treatment of criminals was the reverse: "The guards were very rude, but the punishment was soft."

Once, he recalled, a convicted spy was put in his cell, a barren room about eight feet by five feet (about 2.4 meters by 1.5 meters). "It was a means of additional pressure," he said. The man beat him, Mr. Begun said. He showed a scar on his right leg.

was usually for 15 days, he said, but it could be prolonged arbitrarily. Political prisoners were given work to do in their cells. In Mr. Begun's case, the job was to make nets for shipping and storing vegetables. The norm for prisoners was eight hours of work. Mr. Begun said. He and other political prisoners did not work the full norm out of principle, he said, but they did work about an hour a day.

Any violation of the rules had its price, such as being deprived of the right to buy extra food from the prison store or being deprived of the twice-yearly visit by relatives. But, Mr. Begun said, "the most terrible was solitary confinement."

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Peace Talks Resume on Afghanistan

The Associated Press

GENEVA — Peace talks on Afghanistan resumed Wednesday with both Pakistan and Afghanistan promising a United Nations mediator that they would consider a timetable for withdrawing Soviet troops from Afghanistan.

Diego Cordovez, the UN under-secretary-general, said he told leaders of both delegations that they had an opportunity they "should not miss."

The Soviet Union sent troops into Afghanistan in 1979 to help defend the Afghan government from Moslem insurgents. Western estimates put the current Soviet troop presence in Afghanistan at 75,000 to 140,000 men.

Mr. Cordovez said the timetable for the Soviet troop withdrawal was the only question remaining after almost five years of negotiations, which are called "proximity talks" because the delegations meet separately, with Mr. Cordovez shuttling between them.

"If that blank is filled, we will have a settlement," he said, noting that the withdrawal issue remained difficult because both sides deeply distrust each other.

But Mr. Cordovez said that both sides had promised him they would examine the timetable question with an open mind.

At earlier stages of the talks, Afghanistan proposed that the Soviet withdrawal be completed in four years, while Pakistan proposed four months.

Pakistan's negotiating team is led by Foreign Minister Sahabzada Yaqub Khan, who arrived in Geneva on Tuesday from Moscow. The visit to the Soviet capital was his second this month.

The trip was part of a flurry of diplomatic activity by Pakistan, Afghanistan, Iran, the Soviet Union and the United States since the Kabul government proclaimed a program of "national reconciliation" in January. The government offered amnesty to the guerrillas, a proposal to form a coalition government and a cease-fire to take effect Jan. 15.

The rebels rejected the program, and the war has continued.

Mr. Nizic and Mr. Perle are to visit Paris, Brussels, the Hague and Rome.

France has traditionally regarded the ABM treaty as the most important arms agreement between Moscow and Washington.

The French fear that, if the two superpowers eventually move to deploy anti-missile systems, their own independent nuclear deterrent could be rendered meaningless.

Lisbon Dockers End Action

LISBON — Lisbon's port workers on Wednesday ended a 10-day work slowdown that had delayed cargo handling and forced some vessels to go to other ports, port and union officials said.

GORBACHEV: Changes Urged

(Continued from Page 1)

reaction are trying at any price to put a brake on our movement ahead and force us to remain on the rails of military confrontation," he said, blaming the United States for a deadlock in arms control talks.

Mr. Gorbachev emphasized several points by departing from a prepared text released by the official Soviet press agency Tass.

Indicating the intensity of the debate on his proposals for new, more democratic inner-party procedures, he said that a meeting of the Communist Party Central Committee last month had been postponed twice before it finally was convened.

"If we had limited ourselves at the plenum merely to stating that we have shortcomings and difficulties, if we had not proposed concrete directions for reorganization," he said, "then little use

would have come from this plenum."

Mr. Gorbachev's proposals centered on introducing secret ballots and multiple candidacies for senior party and state offices.

He said many people had wondered before the January plenum if party stalwarts would block the campaign for change.

"Now there is more confidence," Mr. Gorbachev said.

"Democracy is not the opposite of order," he said. "It is one of a higher level, based not on unquestioning obedience and blind performance but on the participation of people in society's affairs with full rights and initiative."

Mr. Gorbachev was greeted with applause from the trade unionists when he said the Soviet leadership was determined not to abandon its course, which he described as fully consistent with socialism.

ABM: Talks With Allies

(Continued from Page 1)

dom of Washington's new course, the Kohl statement said that "an essential criterion" for Bonn was whether the U.S. "decisions" were "harmful or beneficial" to the Geneva arms negotiations. It was extremely unusual for Mr. Kohl, usually a loyal supporter of Mr. Reagan, to voice such reservations.

In London, a spokesman for Mrs. Thatcher said the prime minister had stressed the need for predictability in arms control so that neither superpower was surprised by decisions taken by the other.

While insisting that the interpretation of the 1972 treaty was a matter for Moscow and Washington to decide, the spokesman said that Britain favored a way of testing of anti-missile systems "that doesn't affect the predictability problem."

A Western diplomat said that Mrs. Thatcher had been informed that Secretary of State George P. Shultz agreed with Mr. Nizic and Mr. Perle on the broad interpretation of the treaty. A considerable part of the discussion was said to have been taken up with the Americans' describing the kind of space tests that were contemplated under the broad interpretation.

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Reward Posted For Hotel Parrot Seized in Beirut

Reuters

NICOSIA — A British journalist offered a reward on Wednesday if gunmen who looted the Commodore Hotel in West Beirut returned its best known resident, Coco, the parrot that alarmed the unwary with imitations of incoming shells.

"That parrot survived 10 years of warfare and I want it back," Chris Drake said in a written statement.

Mr. Drake offered 10,000 Lebanese pounds (about \$100) to whoever returned the grey African parrot, which could also whistle the opening bars of Beethoven's "Fifth Symphony" and of "La Marseillaise."

The Commodore, a West Beirut landmark and haven for a generation of foreign journalists covering fighting in Lebanon, closed Tuesday for good. It was looted and badly damaged last week in fighting between Moslem militias.

2 Albanians Swim to Greece

The Associated Press

CORFU, Greece — Two young Albanian men swam more than 10 hours in chilly waters to this northwestern Greek island seeking political asylum, the police said Wednesday. The Albanians, aged 18 and 22, used inner tubes to swim at least eight miles (13 kilometers) Tuesday across a narrow strait dividing Greece and Albania.

The world's best hotel now has a sister in Singapore.



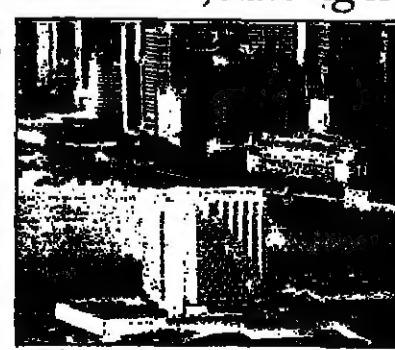
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INQUIRY: Tower Panel Believes Reagan Knew About Iran Arms Sales

(Continued from Page 1)

hand." Mr. Reagan noted that no one in the audience did so.

At the White House, presidential advisers have been holding a flurry of meetings over the last two days to devise a strategy for dealing with what is expected to be a highly critical report.

Officials said some advisers are telling Mr. Reagan that he has to take a more critical view of the operation and assume greater personal responsibility for its failure.

But other advisers generally agree that, to make a fresh start, the president must remove Donald T. Regan as his chief of staff and appoint a replacement who can command respect on Capitol Hill and in the political world.

Among those mentioned as leading candidates to succeed Mr. Regan are Paul Laxalt, the former Republican senator from Nevada, and Drew Lewis, chairman of Union Pacific Railroad.

An official who took part in a high-level strategy session on Monday summed up the advice given the president this way: "Move on. Move on. We're being consumed by this bloody thing."

Officials familiar with the Tower Commission report said it would stress that when the Iranian initiative was proposed in August 1985, White House officials discussed designing the program so that Mr. Reagan could deny that he had approved it if it ever became public.

The Senate intelligence committee, in its report on the affair last month, said it had received indications of this. But the Tower Commission has received notes taken at one of the first meetings on the program, in August 1985, and they show that participants used the word "deniability," one source said.

Documents presented to the commission also show that Colonel

North often misrepresented official foreign policy positions when he discussed them with others outside the administration.

The officials said the role of Colonel North and the advice the president received from Admiral Pindexter will form key parts of the commission's report as an example of how Mr. Reagan was ill-served by some senior aides. The White House has said from the outset of the controversy that the president was victimized by his aides.

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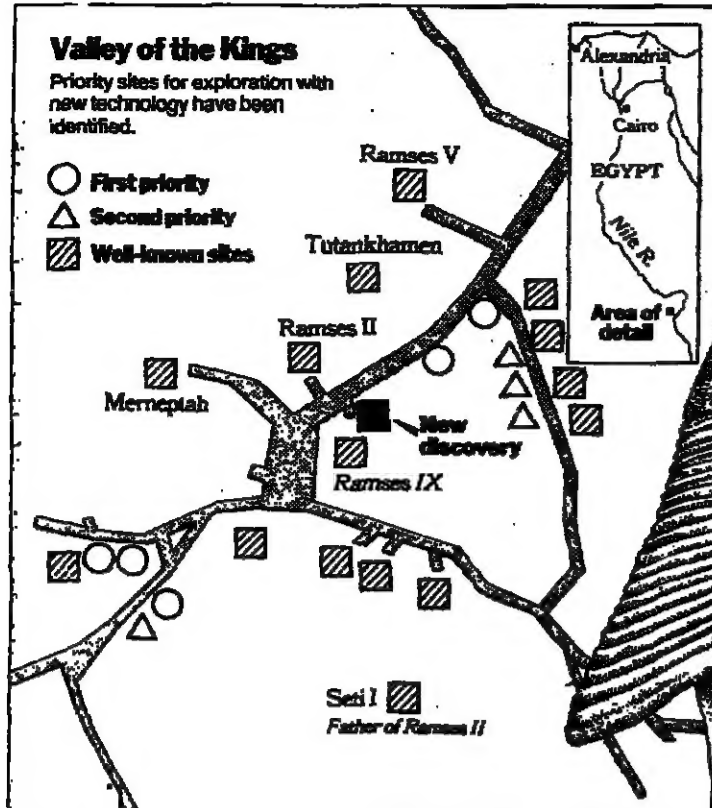
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SCIENCE

Technology Finds Tomb



By John Noble Wilford

New York Times Service

ARCHAEOLOGISTS, heeding the message of the magnetometer, dug into the rocky slope of Egypt's Valley of the Kings and uncovered steps carved out of the limestone. The steps descended to a stone portal and through that into a dark passage and to the discovery of a 3,300-year-old tomb that could yield fascinating treasures and new insights into the long reign of Ramses II.

The last major find in the area was the discovery in 1922 of the untouched tomb of the young Tutankhamen, better known as King Tut.

Finding the tomb was a reassuring demonstration of the capabilities of modern remote-sensing technology, such as sonar, radar and magnetometry, to expand the range of archaeological discovery. French and Japanese scientists have reported encouraging results using similar techniques in search of hidden chambers in the Pyramids and the Sphinx at Giza.

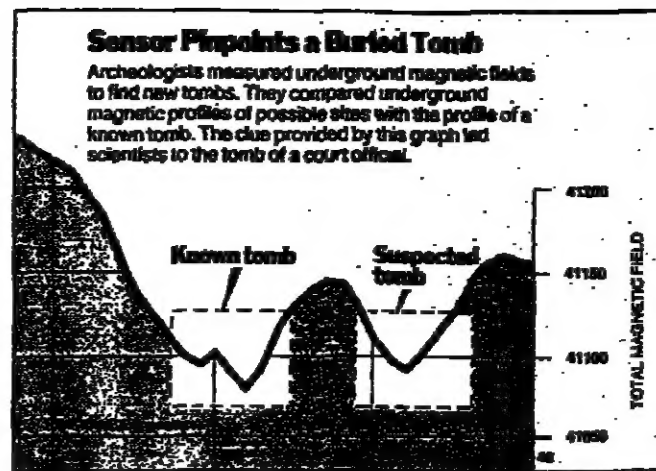
Preliminary analysis at the new site indicates that the underground chambers were probably the burial place of several of Ramses's many sons. Although the huge central room is badly damaged and filled almost to the ceiling with rubble, its size and design — 100 feet on all sides and supported by 16 large pillars — suggests to archaeologists the grandeur of the 66-year reign of Ramses II, who ruled from 1250 to 1224 B.C. This room is one of the largest in any of the known burial places set in the cliffs above the alluvial plain west of the Nile.

The tomb was found by a survey party led by Kent R. Weeks, an associate professor of Egyptian archaeology at the University of California at Berkeley. Dr. Weeks is engaged in a project, now in its eighth year, to survey ancient Thebes, on the Nile 500 miles south of Cairo, and prepare a map and inventory of the temples, monu-

ments, tombs and other structures. On the east side of the river stand the ruins of Karnak and Luxor. Across the river is the necropolis that includes the Valley of the Kings, the burial ground for Egyptian monarchs and nobles who lived between 1600 B.C. and 1000 B.C.

Mapping the ruins in detail and searching for hidden chambers, Dr. Weeks said, will give the Egyptian government information it needs to protect the priceless antiquities against vandalism and identify those structures most in danger of water damage. The survey is also being used in making decisions on where to build new tourist operations that would not intrude on hidden ruins.

This was why the Berkeley Theban Mapping Project, the formal name for the Weeks group, was concentrating its search and survey on the area near the entrance to the



Valley of the Kings. There, at the edge of a parking lot where the postcard hawkers and guides accost each new flock of tourists, the surveyors detected the remote-sensing clues that led them to the tomb.

Explorers in 1920 had reported finding a tomb there that had inscriptions suggesting that it once held mummies of the sons of Ramses II. Over the years it had disappeared, presumably buried in the rubble discarded by archaeologists working nearby.

The archaeologists accepted an offer by a petroleum financier who wanted to look for hidden tombs using oil-exploration technology. Bruce Hefitz, a financier who is based in Manhattan, got the idea on a visit to King Tut's tomb when a guide remarked, "If you think this is something, wait until we find something of the really significant pharaohs."

So, encouraged by Dr. Weeks, he hired the Weston Geophysical Corp. of Westboro, Massachusetts, to conduct the field work last year.

One early attempt, using a seismic vertical profiling survey, was ineffective. This involved setting off explosive charges that sent seismic waves reverberating through the ground. Analysis of signals reflected from subsurface rock layers produced a cross-section of the rock, including evidence of cavities. But the tombs were close to the surface, Hefitz said, where the seismic signals are difficult to interpret.

Another attempt used ground-penetrating microwave radio signals, a form of radar, which are usually sensitive to shallow underground cavities. The radio waves bounce off changes in the density of materials, such as an air pocket set among bedrock. But the results were ambiguous, Hefitz said.

Another method, electrical resistivity tests, was a failure because the ground was too dry. This technique relies on measurements of the ground's conduction of an electrical current, with resistance indicating density changes in the subsurface structure.

It was the magnetometer observations that pointed the way. The limestone bedrock in the Valley of the Kings contains particles of iron. A magnetometer on the surface generates a small electric signal that measures the intensity of the magnetic field below the surface. Where there is a break in the bedrock, as at an entrance cut out for a tomb, the magnetometer records a distinct dip.

In tests above a known tomb earlier last year, Hefitz said, the graph of magnetometer data showed a level line over bedrock and a deep trough over the tomb. A suspected tomb was detected in this way and unearthed in two hours of digging. It was the tomb of

an official from the court of Amenhotep II.

The magnetometer data took another tantalizing step over a site by the parking lot and only 50 feet away from the tomb of Ramses II. Dr. Weeks and his team began digging there last December and, working 10 days and excavating 50 truckloads of dirt, completed the task in January — 15 feet down to the entrance of the hidden tomb, a door five feet high and five feet wide.

When they opened the door, Dr. Weeks recalled, "We were hit by a rush of hot, moist air and had difficulty crawling into the narrow space between the tomb's fill and its ceiling."

When he heard a description of the discovery, Edward F. Weir, professor of Egyptology at the University of Chicago, said: "Obviously, the tomb has suffered a great deal. Chances are, in such cases, only hard materials will be preserved. All we can say is, we'll cross our fingers that there's a significant discovery to be made."

The Berkeley group plans to return in the spring for a more detailed study of the tomb, including the chambers that join the main room. They will be looking for inscriptions that provide a reliable date for the tomb.

"Our best guess, based on its location near the tomb of Ramses II and aspects of its design, is that it belonged to Ramses II and was probably for two or three of his sons," Dr. Weeks said. Ramses II built the magnificent temples of Abu Simbel.

Dr. Weeks cautioned against expecting the unexplored chambers to contain anything like the splendor found in Tutankhamen's tomb. In King Tut's time, a century earlier, tomb entrances were less conspicuous in design and often put in out-of-the-way places so that they were less likely to have been badly vandalized. Even before Europeans arrived, most of the later tombs had been robbed of gold, mummies and even building stones.

Dr. Weeks said he would leave the detailed exploration of the tomb to other archaeologists. His group has at least three more years of work on the map and inventory of the entire Thebes area. Mr. Hefitz has formed a company, Archaeological Imaging, to undertake other remote-sensing searches to assist explorers.

Zahi Hawass, chief inspector of the Giza Pyramids, said French and Japanese research teams, using seismic and magnetic remote-sensing, recently detected several hollows in the Pyramid of Cheops and under the Sphinx.

"We're conservative in archaeology, but we are coming around to modern technology," said Thomas Logan, a curator of the Oriental Institute at the University of Chicago.

IN BRIEF

Drug Found Useful in Treating Liver

BOSTON (UPI) — A drug commonly used for cancer treatment produced "dramatic" results when used to treat two patients suffering from one type of non-malignant liver disease, according to researchers. While the results indicate the drug methotrexate may offer the first effective treatment for at least one type of liver disease, the researchers stressed that more study is needed to confirm the findings.

"Liver disease is notoriously tickle," said Dr. Marshall Kaplan, who treated the patients at the New England Medical Center in Boston. In the February issue of the *Annals of Internal Medicine*, Kaplan and his colleagues reported the results of using methotrexate to treat two patients with primary sclerosing cholangitis.

The disease is a progressive, untreatable form of liver disease that affects an estimated 5,000 people in the United States. Patients usually die of liver failure if they do not undergo a transplant.

Computer Aids Transplant Program

LEIDEN, Netherlands (AP) — Dr. Bert Groenewoud and his colleagues here use a computer that rapidly matches vital organs to people awaiting transplant operations in the Netherlands, Belgium, Luxembourg, West Germany and Austria.

Dr. Groenewoud and his team play a role in about 3,800 organ transplants a year, although they rarely see the inside of an operating room. Their Eurotransplant Foundation uses the computer to make quick matches for hearts, lungs, kidneys, livers, pancreases and corneas of people who have just died.

In its computer records, Eurotransplant lists genetic information and the blood types of patients awaiting transplants, along with how long a patient has been waiting for the operation, and how urgently it is needed.

Back Muscle Enlisted to Aid Heart

PHILADELPHIA (Reuters) — A revolutionary heart pump fashioned from a patient's own muscle could someday aid thousands of people at a fraction of the cost of transplants, according to the doctor who has developed the device.

The device has been tested in laboratory animals, including a dog who lived almost three months with an auxiliary heart pump fashioned from his own back muscle. The dog died after clots damaged his kidney — a problem that has cropped up with other artificial heart techniques.

But Dr. Larry Stephenson of the University of Pennsylvania, who has collaborated on his research with Swedish and British scientists, said he had several possible ways of solving the problem, including using an anti-coagulant to prevent clotting.

The key to the procedure, he said, is conditioning muscle from the back or some other part of the body to behave like heart muscle. The procedure, which Dr. Stephenson expects to be tested in humans within a few years, involves surgically moving back muscle to a patient's chest.

Tests Set on Male Contraception

SEATTLE (NYT) — Beginning this spring, up to 400 men in countries around the world will begin to test a synthetic form of the male hormone testosterone as a form of birth control. Researchers hope its use for contraception will rival the condom in effectiveness and acceptance.

In the first clinical testing of the method, the men will receive the injections once a week for a year. Unlike in previous tests, they would use the injections as their sole source of birth control.

Dr. C. Alvin Paulsen, a professor of medicine at the University of Washington here, has been testing the method in the laboratory and on animals since 1972. The new tests will be conducted in the United States, England, China and other nations selected by the World Health Organization, an agency of the United Nations.

INTERNATIONAL POSITIONS

INTERESTED IN WORKING FOR HUMAN RIGHTS? HEAD OF INFORMATION SERVICES

Amnesty International requires a Head of Information Services, based in London, responsible for developing policy and program in areas including library, documentation, audio-visual, archive and computer systems, and for ensuring the integration of these information services. She/he advises Amnesty International on all aspects of information handling, including advice to the worldwide network of Amnesty International sections.

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Candidates must have proven experience, and preferably a relevant qualification, in information science and/or information systems design. She/he must have experience of supervising professional staff, managing a specialist information unit using information technology, and of initiating and implementing policies. Fluent English is essential, and other languages would be useful. She/he must be sensitive to the needs of an international multicultural organization and be willing to travel.

Salary: starting from \$15,500 rising to \$18,355 per annum (London-based annual investments). Closing date: April 10, 1987.

For further details and application form, contact: Personnel Office, Amnesty International, International Secretariat, 1 Easton Street, London WC1X 8DJ, U.K. Tel: (01) 257 5855 (ansaphone).



INTERNATIONAL POSITIONS

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sure, he should have outstanding initiative and drive, possessing excellent diplomatic, analytical and negotiating skills, and the ability to work without close supervision.

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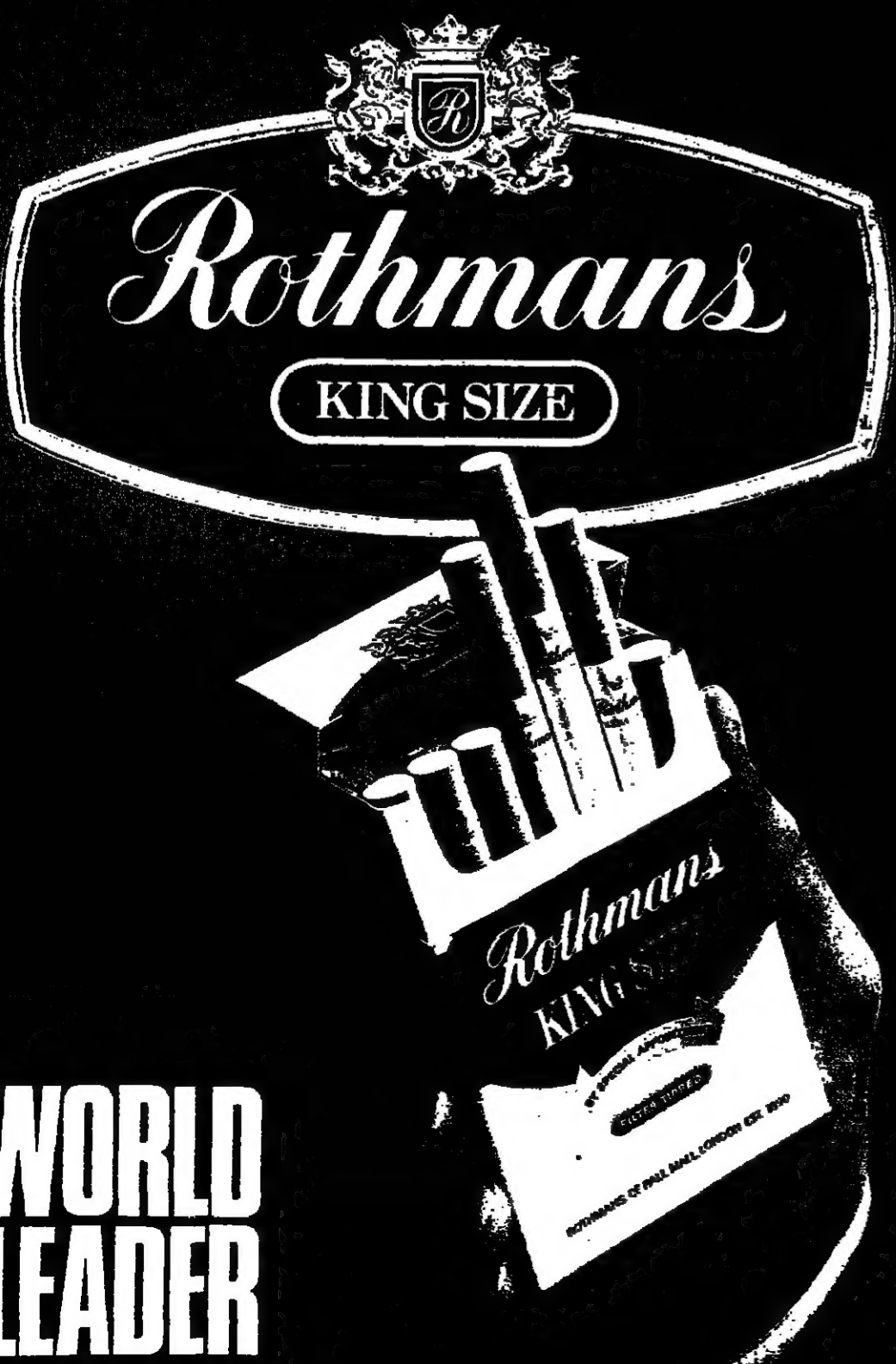
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WALL STREET WATCH

Kidder Unlikely to Cast A Long Shadow Over GE

By VARTANIG G. VARTAN
New York Times Service

NEW YORK — Shares of General Electric Co. took a bumpy ride last week, first hitting a record high of \$103.75 and then finishing at \$101 for a net loss of \$2.50. The sudden downturn reflected investor concern that GE might face liabilities because of its 80 percent ownership of Kidder, Peabody & Co., an investment firm that has been linked to allegations of insider trading.

Most Wall Street analysts are optimistic about the prospects for GE's stock, which rose \$1.625, to \$102, on Tuesday, and they tend to doubt there will be further market repercussions because of the Kidder, Peabody affair. "Any worst-case scenario involving Kidder, Peabody is already reflected in the stock price," said Nicholas P. Heymann of Drexel Burnham Lambert. He said that GE remains "a compelling buy."

E. Robert Quasman of Oppenheimer & Co. said, "While concerns about GE's Kidder-related exposure could continue to cast a pall on the stock near term, we continue to believe GE's stock is more attractive than the market and would regard any current weakness as an opportunity to add to positions."

Both analysts predicted higher profits for GE, which earned \$5.46 a share last year. For the first quarter of 1987, Mr. Heymann projects earnings at \$1.39 a share, up from \$1.18 in the comparable 1986 period. His full-year estimate calls for \$6.50 a share in 1987 and \$7.75 in 1988. Mr. Quasman's projections are more conservative, at \$6.35 a share this year and \$7.40 next year.

"Long-term prospects are enhanced by General Electric's increasing emphasis on service businesses," Standard & Poor's stock reports say, "and its superior management and product leadership." GE's shares hit record highs early last week after the company proposed a two-for-one split and said it would consider raising the cash dividend to a yearly rate of \$2.64 a share, on a pre-split basis, from the current \$2.52.

"Fundamentally, we anticipate future announcements will remain positive," Mr. Quasman said, and "GE will increase its quarterly dividend again in November." At current market prices, the stock yields about 2.5 percent.

Some analysts believe GE is on the threshold of another major acquisition.

ALTHOUGH the issue has advanced 40 percent since October, Mr. Heymann envisages a target price of \$129 to \$134 a share over the next six to 12 months. Looking further ahead, he says he believes a price of \$150 a share is attainable in the next 18 to 24 months.

"The latter target will become even more readily attainable," he added, "if our belief that GE is on the threshold of another major acquisition proves true." Such an acquisition, carrying an estimated value of \$5 billion to \$10 billion, could be announced before the middle of this year, Mr. Heymann suggested.

Among the factors conducive to an acquisition, he said, are GE's "very solid" finances, with cash and marketable securities alone totaling \$2.3 billion, and attractive borrowing rates.

The giant company, whose operations range from consumer products and industrial systems to aircraft engines and technical products, completed its acquisition of RCA Corp. in June, the same month it acquired control of Kidder, Peabody.

Mr. Heymann's theory is that any future major acquisition aimed at enhancing the value of GE's stock could be made in a new area. "GE's management has the talent for unlocking real asset values in other companies," he said. "After five years of aggressively revamping its own operations, GE has emerged as one of the best restructurers in the world."

One acquisition technique used by the company in the past is to play on a cycle. When GE acquired Employee Reinsurance Corp. in 1984, it was a timely play on the upturn in the property-casualty business. "Also, in the RCA acquisition," Mr. Heymann said, "the company got NBC — an attempt to play the coming deregulation of the network industry."

Britain Blocks Sugar Bid

Rules Out Offers By Ferruzzi, Tate

By Reuters

LONDON — The government Wednesday blocked rival bids by Gruppo Ferruzzi of Italy and Tate & Lyle PLC of Britain to take over British Sugar PLC, which has a monopoly on the country's sugar beet refining.

A successful bid by Ferruzzi would have made the Italian company the world's biggest sugar producer. But the Department of Trade and Industry halted the takeover battle by saying that both bids "may be expected to operate against the public interest."

The department said in a statement that it was following recommendations of the Monopolies and Mergers Commission, a governmental regulatory body.

Ferruzzi, a food and farms group that already dominates the European sugar industry, would have captured about 24 percent of the European Community sugar market if its bid had been approved.

Gruppo Ferruzzi announced in November that it had agreed to buy 70 percent of British Sugar, which has about 50 percent of the British sugar market. The bid, worth \$425 million (\$655 million), was accepted by S&W Berisford PLC, the commodity trading and processing group that owns British Sugar.

Tate & Lyle had offered \$480 million for all of Berisford in May, but it planned to sell off all of the company except British Sugar to management if its bid was successful.

The trade department ruled Wednesday that neither bid could proceed and that Ferruzzi should reduce its existing stake of about 24 percent in Berisford to 15 percent over the next two years. Tate & Lyle has a stake of about 10 percent in the company.



A worker finishing a body shell at the Peugeot plant in Sochaux, France. Peugeot's chairman, Jacques Calvet.

Peugeot Regains Its Reason to Roar

Restructuring, Automation Boost Profit, Market Share

By Jacques Neher
Special to the Herald Tribune

PARIS — The lion frozen on Peugeot SA's corporate logo has something to roar about these days.

After suffering through a long and painful restructuring, the private French manufacturer of Peugeot and Citroën cars has regained its position as a major force within Europe's highly competitive car industry. And emboldened by its success and newfound profitability, it is now set to take a serious stab at the American market.

Although 1986 results have not yet been released, Jacques Calvet, Peugeot's chairman, estimated last month that net earnings would rise enough to allow the company to pay a dividend for the first time since 1981. Analysts estimate that the company's 1986 earnings will be from 1.5 billion to 2 billion francs (\$248 million to \$330 million, at current exchange rates), compared with 1985 profit of 543 million francs.

The 1986 profit would be the first major profit since Peugeot began restructuring and modernizing in the early 1980s. And Mr. Calvet predicted that the payback had only begun.

"Better products, productivity gains, cost-cutting and the slowdown of inflation in France should permit profitability to rise strongly in the coming years," he said.

The restructuring followed a period of sudden and chaotic growth. In 1976 Peugeot action

with a severe drop in demand precipitated by the 1979 oil crisis.

Complicating matters were labor problems, punctuated by violent and image-damaging strikes in 1982 and 1984. From 1980 to 1984, Peugeot reported losses totaling more than 8 billion francs.

Vital to its strategy was melding the two divisions, Citroën and Peugeot, on an industrial, but not product or marketing, level.

The acquisitions, Peugeot now acknowledges, were poorly timed. Not only was it difficult merging different corporate cultures, but the company was hit

Argentina Shuts Banks Ahead of Economic Plan

Los Angeles Times Service

BUENOS AIRES — The Argentine government, bedeviled by rampant inflation and a heavy foreign debt, unexpectedly declared banks and foreign exchange markets closed Wednesday and Thursday to quell financial speculation before announcing a new economic program Wednesday night.

The action late Tuesday, on the eve of Wednesday's critical talks with U.S. banks, removed talk that Argentina would follow neighboring Brazil in declaring a moratorium on its \$53 billion debt owed to foreign banks.

Treasury Secretary Mario Broderick has already warned of such a move if international banks

do not grant the country's request for \$2.15 billion in fresh funds to help the country meet its 1987 growth target of 4 percent, after 5.5 percent growth last year.

The last nationwide bank closure was in June 1985, when the government announced its anti-inflation "Austral Plan."

Financial sources said that Argentine President Raúl Alfonsín had agreed to new measures that would include wage adjustments to offset inflation of 7.5 percent in January, the immediate restoration of stiff price controls, and a pledge not to allow debt obligations to undermine economic growth.

Controls, which have now eroded, were a key element in Mr. Alfonsín's Austral Plan, which reduced inflation to 80 percent last year from almost 1,000 percent in 1985.

Amid tension in financial markets Tuesday and a steady rise in the free-market rate for the U.S. dollar, some observers also anticipated that the new measures would include a sharp devaluation of the austral, the Argentine currency, or an accelerated series of smaller devaluations.

After a 1.99 percent devaluation of the austral Tuesday, one of a series of periodic devaluations, the currency was quoted officially at 1.43 to the U.S. dollar. But the unofficial rate was 1.84, a difference of about 30 percent.

Philippine Debt Talks

The Philippine government will proceed with talks next Tuesday in New York on rescheduling \$3.6 billion of debt owed to foreign banks, Finance Secretary Jaime Ongsin said Wednesday. However, the country will keep a close watch on how creditor banks react to Brazil's suspension of interest payments, Reuters reported from Manila.

More broadly, the commission called for greater economic cooperation in the community, including moves to shore up the European Monetary System. But it warned that the battered system could not be expected to carry the entire burden of cooperation.

Currency Rates

Currency	Rate	Change
American dollar	1.43	0.01
British pound	1.84	0.02
French franc	6.55	0.05
German mark	3.36	0.03
Italian lira	1,360	10
Japanese yen	163	2
Netherlands guilder	2.36	0.01
Portuguese escudo	200	5
Spanish peseta	166	2
Swiss franc	2.00	0.01
West German mark	3.36	0.03
Yen	163	2

Interest Rates

Rate	Value
1 month	6 1/4%
3 months	6 1/2%
6 months	6 3/4%
1 year	6 1/2%

EC Projects '87 Growth at Weak 2.3%

By Peter Maass
International Herald Tribune

BRUSSELS — The European Community's executive body scaled back its forecast for 1987 growth to a weak 2.3 percent Wednesday and warned that the unemployment rate would remain "unacceptable" at best.

The European Commission said that prospects had grown gloomier in the past few months because of a sharp fall in the value of the U.S. dollar and a slowing in world trade, both of which will hurt EC exports.

The quarterly forecast indicates that the economy of the EC is expanding at a slower rate than in 1986, when growth in the overall gross domestic product of the 12 member nations was a sluggish 2.5 percent.

The commission's report followed a weekend meeting in Paris of finance ministers and central bankers from the six largest industrialized nations. The group set a vague plan for economic cooperation, including pledges to stabilize the dollar and boost growth in Japan and West Germany.

Although the EC report was largely prepared before the weekend meeting, it echoed a widespread impatience with the sluggishness of the currency pact and called for more concrete measures. An EC economist said that the commission believed that the accord "needs more flesh."

In its annual economic report last autumn, the EC had projected 1987 growth at 2.8 percent. But the commission warned Wednesday that prospects were

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U.S. Money Market Funds

Source: Merrill Lynch, Pierce, Fenner & Smith Inc.

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Source: Reuters

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OPEC Worries Grow as Brent Falls Below \$16

By Warren Giedler
International Herald Tribune

LONDON — The price of North Sea Brent crude, Britain's benchmark oil, fell below \$16 a barrel Wednesday for the first time since mid-December, extending a slump from the \$18 fixed price set by OPEC late last year and renewing doubts about whether the cartel's pricing accord can be made to hold.

Traders said cargos of Brent for April delivery changed hands at \$15.98 and \$15.97 a barrel, down about 50 cents from Tuesday and \$1.30 from Friday. In later trading, Brent was being quoted at \$15.80 to \$15.90 a barrel, with no trades at those levels, and the decline was continuing in U.S. markets.

The rapid erosion in prices came just days after Gulf oil ministers met to discuss how to prop up faltering prices.

Rumors were widespread over the weekend that the ministers might call for an emergency meeting of the Organization of Petroleum Exporting Countries next month to discuss the problem. Though the ministers denied Sunday that OPEC would have to be convened early, analysts said the sharp declines Wednesday added new pressure on the 13-nation cartel.

Many analysts predicted that prices would fall further as major oil consumers continue to deplete inventories rather than enter into long-term contracts at current prices.

"Demand for petroleum products in the United States is clearly lagging behind the pace set last year," said Philip K. Verleger Jr., visiting fellow at the Washington-based Institute for International Economics. "There is evidence that

"The sentiment in the market is that prices will slip further," said Adrian Binks, editor of Petroleum Argus, a widely read weekly based in London. "It wouldn't surprise me to see [free-market] prices touch \$15 a barrel in the next month."

OPEC ministers in December agreed to limit oil production to 15.8 million barrels a day and to fix prices at \$18 a barrel. The accord, which followed months of fruitless efforts at setting an output ceiling, had an immediate effect, pushing prices up \$3 a barrel from the \$15 level.

But analysts noted Wednesday that significant doubts have emerged in international oil markets about whether OPEC can maintain strict adherence to the strategy. OPEC's current estimated output is around 16.3 million to 16.5 million barrels a day.

Analysts said there are indications that Kuwait and the United Arab Emirates are exceeding their quotas and that other OPEC members are "cheating" — Iran, by apparently entering into barter agreements, and Nigeria by apparently engaging in price discounting.

OPEC has also been hurt, analysts say, by unusually warm winter weather, which has cut into demand. Even so, the OPEC pact is being challenged earlier than many observers had anticipated.

"Everyone expected the severe test to set in during March or April," said Humphrey Harrison, chief oil analyst with the NewWest Investment Bank Group. Even so, he said, "OPEC isn't panicking."

"OPEC could walk away from trying to maintain a fixed price," he said, but this would embarrass King Fahd of Saudi Arabia, one of the main architects of the December plan. "The only thing they can do," he added, "is reduce quotas across the board for second-quarter production — yet, given the difficulties in setting quotas last time, that might just be impossible."

Fahd, Mr. Harrison noted, might have been willing to allow Saudi Arabia, the largest OPEC producer, to act temporarily as a swing producer — cutting its production — to bring overall output back in line with the December accord.

"But when there's cheating by other OPEC states, absorbing the slack would not be acceptable in domestic political terms," he said.

Mehdi Vard, analyst with Kleinwort & Co. in London, takes a dissenting view on the need for OPEC to meet before its scheduled June 25 session.

"OPEC won't need to call an emergency meeting. It can't expect to control short-term volatility in price movements," he said.

Worldwide 800 Sues AT&T Over 'Toll-Free' Ads

WASHINGTON — Worldwide 800 Service Inc., a Geneva-based company that arranges international toll-free telephone service in 43 countries, filed legal action Wednesday charging American Telephone & Telegraph Co. with false advertising and anti-competitive practices.

Worldwide 800 alleged in suits filed in federal and state courts in Illinois and in complaints filed before the Federal Trade Commission and the Federal Communications Commission that AT&T used those methods to shut Worldwide 800 out of the U.S. market.

The actions charge AT&T with falsely stating that no other company could provide international toll-free service; falsely stating its service capability; and falsely describing the geographic origin of its services.

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AMEX/As	490 1/2	34 1/2	30 1/2
Teward	415 1/4	32 1/2	29 1/2
Stevens	352 1/2	35 1/2	31 1/2
Echob	311 1/2	29 1/2	28 1/2
Stevens	211 1/2	47 1/2	43 1/2
BAT	328 1/2	8 1/2	8 1/4
Wicham	343 1/4	29 1/2	28 1/2
Wicham	296 1/2	4 1/2	4 1/2
Wicham	288 1/2	23 1/2	22 1/2
Hood	175 1/2	21 1/2	20 1/2
ME/As	254 1/2	6 1/2	6 1/4
Alko	239 1/2	29 1/2	28 1/2
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11%	KCSu	1.80	4.3		440%	16	15%	16		
19%	KanGE	1.36	5.8	11	92	23%	23%	23%		
43%	KanPL	2.50	5.8	11	83	35%	35%	35%		
25%	KanPL	2.31	7.1		1	281%	281%	281%		
72%	KovIn				74	15	14%	14%		
10%	KovIn	1.08	8.1		127%	17	15%	16%		
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Wednesday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close Chg. Chg. Chg.

(Continued)

125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	810	811	812	813	814	815	816	817	818	819	820	821	822	823	824	825	826	827	828	829	830	831	832	833	834	835	836	837	838	839	840	841	842	843	844	845	846	847	848	849	850	851	852	853	854	855	856	857	858	859	860	861	862	863	864	865	866	867	868	869	870	871	872	873	874	875	876	877	878	879	880	881	882	883	884	885	886	887	888	889	890	891	892	893	894	895	896	897	898	899	900	901	902	903	904	905	906	907	908	909	910	911	912	913	914	915	916	917	918	919	920	921	922	923	924	925	926	927	928	929	930	931	932	933	934	935	936	937	938	939	940	941	942	943	944	945	946	947	948	949	950	951	952	953	954	955	956	957	958	959	960	961	962	963	964	965	966	967	968	969	970	971	972	973	974	975	976	977	978	979	980	981	982	983	984	985	986	987	988	989	990	991	992	993	994	995	996	997	998	999	1000	1001	1002	1003	1004	1005	1006	1007	1008	1009	1010	1011	1012	1013	1014	1015	1016	1017	1018	1019	1020	1021	1022	1023	1024	1025	1026	1027	1028	1029	1030	1031	1032	1033	1034	1035	1036	1037	1038	1039	1040	1041	1042	1043	1044	1045	1046	1047	1048	1049	1050	1051	1052	1053	1054	1055	1056	1057	1058	1059	1060	1061	1062	1063	1064	1065	1066	1067	1068	1069	1070	1071	1072	1073	1074	1075	1076	1077	1078	1079	1080	1081	1082	1083	1084	1085	1086	1087	1088	1089	1090	1091	1092	1093	1094	1095	1096	1097	1098	1099	1100	1101	1102	1103	1104	1105	1106	1107	1108	1109	1110	1111	1112	1113	1114	1115	1116	1117	1118	1119	1120	1121	1122	1123	1124	1125	1126	1127	1128	1129	1130	1131	1132	1133	1134	1135	1136	1137	1138	1139	1140	1141	1142	1143	1144	1145	1146	1147	1148	1149	1150	1151	1152	1153	1154	1155	1156	1157	1158	1159	1160	1161	1162	1163	1164	1165	1166	1167	1168	1169	1170	1171	1172	1173	1174	1175	1176	1177	1178	1179	1180	1181	1182	1183	1184	1185	1186	1187	1188	1189	1190	1191	1192	1193	1194	1195	1196	1197	1198	1199	1200	1201	1202	1203	1204	1205	1206	1207	1208	1209	1210	1211	1212	1213	1214	1215	1216	1217	1218	1219	1220	1221	1222	1223	1224	1225	1226	1227	1228	1229	1230	1231	1232	1233	1234	1235	1236	1237	1238	1239	1240	1241	1242	1243	1244	1245	1246	1247	1248	1249	1250	1251	1252	1253	1254	1255	1256	1257	1258	1259	1260	1261	1262	1263	1264	1265	1266	1267	1268	1269	1270	1271	1272	1273	1274	1275	1276	1277	1278	1279	1280	1281	1282	1283	1284	1285	1286	1287	1288	1289	1290	1291	1292	1293	1294	1295	1296	1297	1298	1299	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Saab Profits Rose 15% In 1986 on Car Sales

Mr. Karnaud said management had proposed a dividend of 16 kronor, up from 14 kronor in 1985, plus a bonus of 2 kronor to celebrate the 50th anniversary of the founding of Saab.

BRUSSELS — Sabena of Belgium and Scandinavian Airline System will reach a joint decision in April on how to challenge bigger carriers as Western Europe moves to deregulate its airline business, it was disclosed Wednesday.

A spokesman for Sabena said the two airlines planned to meet in April on plans to cooperate.

Industry sources said the accord could involve joint operations on many routes and the joint purchase of planes.

Sabena's chairman, Carlos van Rafeleghem, said last month that any pact with SAS would combine their medium- and long-distance networks in a system based on two hub airports in Brussels and Copenhagen.

Holden's Engine & Components Co., a General Motors Corp. unit based in Melbourne, said it had sent its first shipment of Australian-made car engines to GM's Pontiac division in Michigan. HECC, Australia's largest single exporter of manufactured goods, said the initial order was for 12,000 two-liter, four-cylinder engines to power the Pontiac Sambird.

Compiled by Our Staff From Despatches

NEW YORK — International Business Machines Corp. said Wednesday it had designed a computer chip capable of storing more than four million bits of data, four times as much as any chip in use.

IBM said four-megabit chip has been made on the same line used to produce one-megabit chips at its plant in Essex Junction, Vermont. The new chip is only 35 percent larger than the one-megabit chip.

In a separate development, Tuesday, IBM said it would buy back an additional 4 million shares, with a current value of over \$70 million, beyond the 15 million shares announced last year. Analysts said the stock buybacks, representing 3.1 percent of IBM's 610 million shares, were a way for it to use its strong cash flow and help raise the price of the stock to benefit shareholders.

IBM stock, which hit a low of \$115.75 in January, was down slightly midday Wednesday, to \$142.875 from \$143.

(Reuters, UPI, AP)

Readers
OSAKA, Japan — Matsushita Electric Industrial Co., Japan's largest maker of consumer electronics products, predicted Wednesday that net profit would drop 40 percent in the four-month period to March 31 to 41 billion yen (\$266.8 million at current exchange rates).
Sales would drop 10 percent to 1.420 trillion yen.
Matsushita's accounting year usually ends Nov. 20, but it will collect figures for this irregular period before switching to a fiscal year ending March 31, 1988.

Takeover Puts Carling Post in Doubt

PARIS — The French cabinet on Wednesday confirmed Jacques Friedmann, a longtime adviser to Prime Minister Jacques Chirac, as chairman of the state-owned airline Air France.

Mr. Friedmann, 54, replaces Raymond Laroche, the chairman since 1984, who will become vice president of the Council of State, France's highest legal tribunal.

Mr. Friedmann is a former chairman of the Compagnie Générale Maritime shipping group. He has no experience in airlines, but is expected to play a role in the takeover alongside Henri Sauvan, 63, Air France's director-general since 1983.

W. Ferris, 45, executive vice president and chief financial officer. Analysts said that Mr. Amerman's appointment to the post, which his division was profitable last year while Mattel as a whole lost \$951,000.

Hallwood Group Inc., a New York-based financial services and real estate firm, has announced it will participate in an effort to save the Dallas-based holding company. Anthony J. Gumbiner, 42, Hallwood chairman and chief executive, who has spent 13 years working to reverse the fortunes of distressed companies, said that Hallwood now focusing on financial institutions. "The Southwest is obviously having its problems and we're in a position to help them," he said. "We're a lot of failing banks out there."

trof's chairman and chief executive officer. Mr. Kresna, who also becomes chief operating officer, has been senior vice president for technology development and planning since March 1986.

Mattel Inc. has promoted J. W. Amerman to chairman and chief executive, ending an apparent contest for the leadership of the Hawthorne, California, toy company. Since October, when Arthur H. Hays, 66, announced he was retiring as chairman, Mattel had been

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15 february 1987



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Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price.

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CURRENCY MARKETS

Dollar Mixed in Lackluster Trading

Reuters
LONDON — The dollar ended mixed but little changed Wednesday in dull European trading, and dealers said they expected few major currency movements before U.S. trade figures are released on Friday.

They said market sentiment was bullish on the dollar because of nervousness about Brazil's suspension of interest payments on part of its foreign debt and fears that the release Thursday of the Tower Commission report on U.S. arms sales to Iran could further weaken the U.S. administration.

But operators were hesitant to push the dollar lower in light of last weekend's Paris agreement to stabilize currencies. Although the meaning of the accord was unclear, dealers said they feared that central banks would intervene if the dollar began to slide.

In London, the dollar closed at 1.8275 Deutsche marks, down slightly from Tuesday's close of 1.8350 DM, and at 153.60 yen, almost unchanged from 153.78.

The British pound, meanwhile, came under some pressure during the day as prices of spot Brent crude oil fell to less than \$16 a barrel for the first time since December. Starting closed almost unchanged against the dollar, at \$1.5385 compared with \$1.5392.

Operators said the dollar rose against the Deutsche mark in late afternoon trading on some position squaring and interbank orders, but held to an extremely narrow range for most of the day.

Friday's U.S. trade figures were expected to provide some direction for dollar trading. Dealers are expecting a January deficit of \$13 billion to \$14.5 billion, after a surprisingly low deficit in December of \$10.7 billion.

London Dollar Rates

Currency	Rate	Unit
Deutsche mark	1.8275	DM
Swiss franc	1.5385	CHF
Japanese yen	153.60	¥
French franc	6.55	FF

Source: Reuters

The dollar could come under renewed pressure if the deficit is above \$14 billion, as the market would want to test the strength of the Paris accord by the six major industrial countries to keep the dollar at current levels, traders said.

U.S. durable goods orders due for January, postponed from Tuesday to Thursday, were expected to

have little impact on trading unless markedly out of line with expectations.

Dealers were also anxiously watching developments in Brazil's debt position and said the long-term effects on the dollar and the U.S. economy would be profound if Brazil decided to end interest payments on its foreign debt.

In earlier European trading, the dollar was fixed in Frankfurt at 1.8248 DM, down from 1.8388 at Tuesday's fixing, and in Paris at 6.0740 French francs, down from 6.1215.

It closed in Zurich at 1.5397 Swiss francs, down from 1.5540 Tuesday.

Mitterrand Supports G-7

The Associated Press

PARIS — President François Mitterrand said Wednesday that Italy and Canada should be included whenever major Western nations discuss monetary affairs.

Italy refused to participate in Sunday's meeting in Paris of financial officials from six countries, saying central banks had been decided the previous day by the Group of Five — the United States, Britain, France, West Germany and Japan.

The G-5 plus Italy and Canada make up the Group of Seven.

Kaufman Sees Fall in U.S. Discount Rate, Dollar

Reuters
TOKYO — Henry Kaufman, chief economist at Salomon Brothers Inc., said Wednesday he expects at least one more half-point cut in the key U.S. discount rate by midyear, and the dollar to resume its decline in the next few months.

Mr. Kaufman, whose opinions for the large U.S. investment bank are widely followed by financial markets, said at a news conference he would not be surprised if the dollar fell to 140 yen and 1.70 Deutsche marks by the end of this year. The U.S. currency now is trading around 153.65 yen and 1.83 DM.

However, he said, the dollar's current stability will last for the next month or two as the markets pause after the U.S. currency's fall over the past one and a half years.

The 5.5 percent discount rate, the benchmark for other U.S. rates, may not be cut within the next month, he added. But by midyear it would

be cut by a half-point to stimulate sluggish U.S. and world economic activity, without fear of reviving inflation.

In the United States, he added, the only way to stimulate the economy is through the Federal Reserve's monetary policy. While a reduction in the U.S. government's budget deficit would help lower U.S. interest rates, a sharp cut in the deficit could pose dangers for the slowing U.S. and world economies.

The reduction would need to be gradual, he said, because the U.S. economy is not fundamentally strong enough to adjust.

A U.S. monetary policy is still needed that can immediately offset a reduction in fiscal stimulus with an effective measure of monetary injection, he added.

Mr. Kaufman said concern about a sharp decline in the dollar comes mostly from the Federal Reserve, rather than the U.S. Treasury, because the currency's fall could disrupt capital

flows into the United States from abroad, particularly from Japan and West Germany.

A sudden drop could also disrupt global financial activity, he said, adding that this may be the underlying reason the United States was willing to attend last weekend's meeting in Paris called by the seven major industrial democracies, the so-called Group of Seven.

Yet Mr. Kaufman said last weekend's Paris meeting did not address the complex issue of how to manage the new financial world where there are massive movements of funds because of economic differences, regulations and innovations.

Those movements have a substantial impact on the value of financial assets, interest rates and currency prices, he said. "I think the G-7 meeting was helpful, but I think the G-7 meeting is not going to cure the problems that today are the impediments to economic expansion."

THE EUROMARKETS

Floating-Rate Sector Still in the Spotlight

Reuters
LONDON — Most sectors of the Eurobond market again closed steady Wednesday, but attention remained focused on the floating-rate-note sector, dealers said.

The perpetual area of the market again remained effectively closed with most houses willing to trade only on an indicated basis.

However, in the dated FRN sector, U.S. banks suffered a renewed bout of selling from investors who are still nervous after Friday's news that Brazil was suspending interest payments on its foreign debt, dealers said.

Traders noted that FRNs for U.S. banks have always been vulnerable to concern over Latin American debt exposure.

"They're the ones that lent so much money. It's obvious their paper's going to be sold when problems emerge," one trader said.

Prices of some bank names fell

by up to a full point, although some traders felt that the market would recover shortly.

One new FRN was launched, although dealers said it was essentially a publicly marketed asset swap that would probably not trade widely on the secondary market.

The \$150 million note was issued by Nomura International Ltd. on behalf of a company incorporated in the Cayman Islands called Lites Ltd. The five-year bond pays 1/4 point over the six-month London interbank offered rate.

It was quoted on the when-issued market above the par issue price at about 100.03. The issue pays total fees of 10 basis points.

Otherwise, activity on the primary market was quiet after Tuesday's batch of new issues. The day's only dollar straight was a \$100 million bond for the Queensland government's development authority

guaranteed by the State of Queensland.

It was seen by some dealers as being a little on the tight side, but it closed the day only just outside the total fees of 1 1/2 percent at a discount of 1 1/2 percent. The lead manager was Credit Suisse First Boston Ltd.

The recent steady flow of new offerings continued with a 20 billion yen bond for France's Caisse Nationale des Télécommunications. The seven-year issue pays 5 1/2 percent and was priced at 102 1/2. The lead manager was IBJ International Ltd. It ended within the 1 1/2 percent fees.

Back in the secondary markets, the dollar-straight market ended unchanged to a touch firmer, with prices tending higher during the afternoon on the back of firmer bond prices in the United States, dealers said.

PEUGEOT: Restructuring and Automation Give a New Reason to Roar

(Continued from first page)

last year gave little ground in Europe, despite an onslaught by the Japanese automakers. In 1977 West European countries, Citroën and Peugeot sales together climbed 7 percent to 1.3 million and represented 11.3 percent of all cars sold, down from 11.5 percent in 1976 and 1984.

That put Peugeot in fourth place among Europe's six largest auto producers in terms of volume — behind Volkswagen/Audi/SEAT, Fiat SpA and Ford Motor Co. and ahead of General Motors Corp. and Renault, the No. 1 French car maker.

Behind the overall market-share figures, however, were important gains for Peugeot in West Germany and Britain, the two largest auto markets in Europe. In Britain, Peugeot's unit sales soared 79 percent, almost doubling its share to 4.3 percent, while Citroën registrations rose by 25 percent, giving it 1.8 percent of that market. In Germany, Peugeot sold 46 percent more

cars, reaching 3 percent of the market, while Citroën's sales climbed by 25 percent, gaining 1.6 percent of the market.

To achieve those gains, Jean Boillat, president of the Peugeot division, told journalists last month that the company made a strategic choice to pull back in France and divert production to faster-growing export markets.

As a result, Peugeot's penetration in France fell almost three percentage points to 31.9 percent, putting it neck-and-neck with government-owned Renault.

"If Peugeot played the European card, it's not to obtain immediate profits, but to build its position for the longer term," he said.

Much of Peugeot's turnaround can be attributed to the success of the Peugeot 205 — a "supermini" in industry parlance — which accounted for almost a third of Peugeot's unit sales last year. The model, introduced in 1983, is now available in about 30 different ver-

sions, priced from 46,900 to 103,600 francs.

Industry analysts say Peugeot found success with the 205 because it debuted with a wide range of options, such as a five-door version, that could satisfy a larger segment of the market. Timing was also important, as the 205 came out just as interest was waning in Renault's RS, a comparably sized model.

And last fall Peugeot stirred up excitement in the industry with its introduction of the Citroën AX supermini. Produced at a highly robotized factory in Aulnay, the AX is Mr. Calvet's gamble — against conventional wisdom — that money can still be made on small cars.

The car — priced at 43,400 to 65,000 francs — got off to a slow start, reaching only half of projected sales in France by the end of the year. Nevertheless, Citroën has begun rolling out the model in other countries, and it is aiming to sell 230,000 AX cars in Europe in 1987.

or about 2 percent of the market. Meanwhile, Peugeot is committed to boosting its presence in the U.S. market, where annual sales of the Peugeot luxury class model 505 have been languishing around 15,000 units in the past few years.

A new lineup of engines for the 505, as well as the introduction of a midrange model 405 by late next year, will provide the ammunition for Peugeot to hit its target of 50,000 cars by 1990, according to Peugeot's sales director, Victor Dial.

Industry observers are skeptical, however. Paul Capella, a Paris-based automotive industry consultant with DRI Europe, said it would be difficult for Peugeot to build an image in the United States with a midrange family car.

"It's a rather half-hearted way to approach the American market," Mr. Capella said, adding that a sporty version of the popular 205 would have gone much further than the 405 and 505 toward establishing the brand in the United States.

Wednesday's OTC Prices

NASDAQ prices as of 3 p.m. New York time. Via The Associated Press

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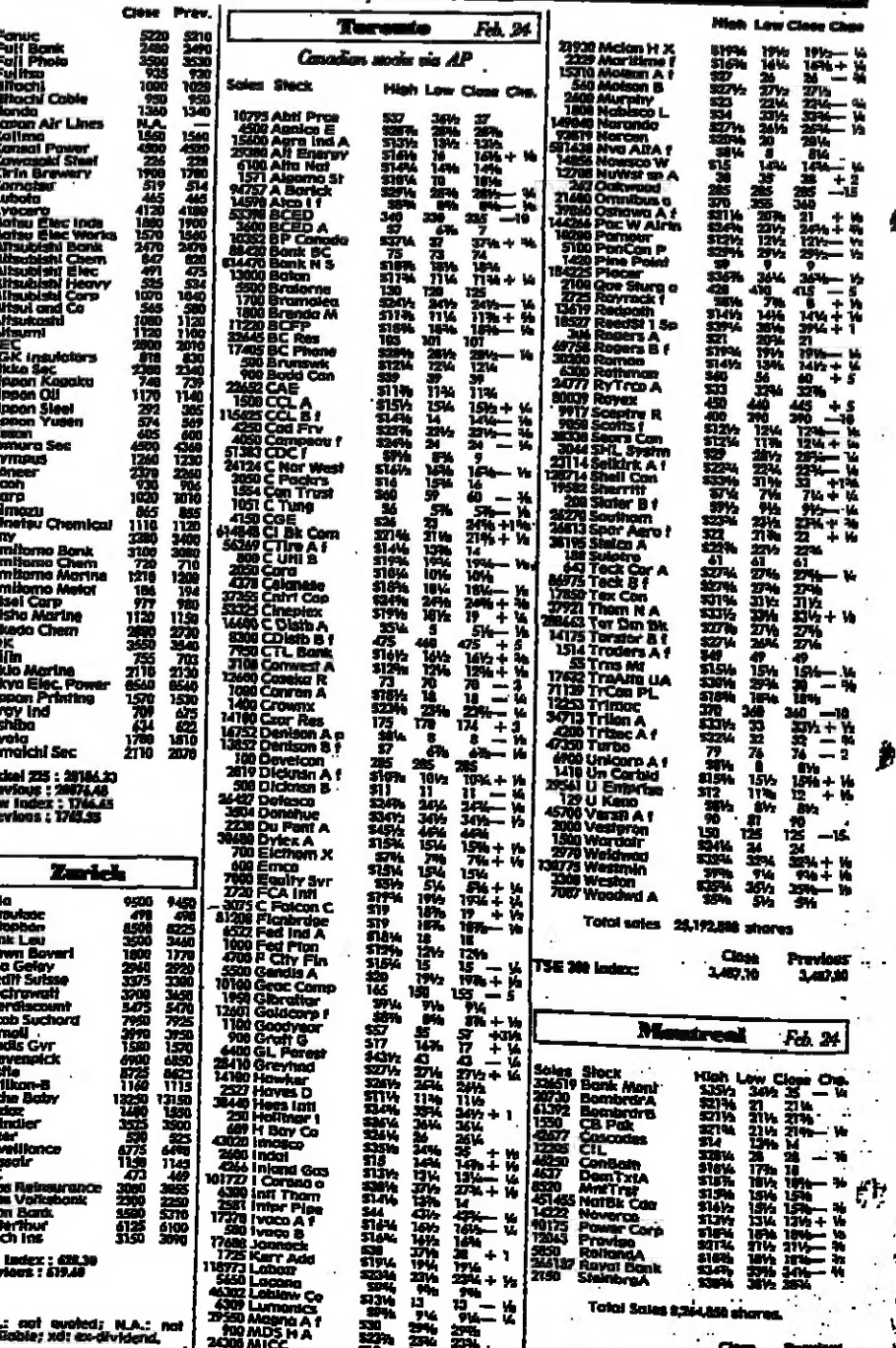
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SPORTS

NCAA Suspends Football at SMU 1 Year

DALLAS — The National Collegiate Athletic Association on Wednesday suspended the football program at Southern Methodist University for one year and said the school could play no home football games in 1988.

The governing body of college athletics thus enforced its so-called "death penalty" for the first time, providing the severest sanctions in its history against the country's most scandal-ridden football program.

"Not only is Southern Methodist University a repeat violator, but its past record of violations is nothing short of abysmal," said a statement issued by the NCAA's committee on infractions. "Both the current case and the university's 1985 infractions case involved major violations that occurred at times when the university was on NCAA probation for previous serious violations."

The NCAA cited a series of violations involving payment of money to athletes, including one in

which 13 football team members received payments totaling \$47,000 during the 1985-86 academic year and eight athletes got payments totaling \$14,000 from September through December 1986.

At a special meeting last summer, the NCAA adopted regulations that allowed it to suspend an athletic program if it violated NCAA regulations while on probation.

The sanctions include:

- SMU will be on probation until Sept. 1, 1990.
- SMU will be allowed to play no football games in 1987 and will be limited to seven games in 1988 — all away from home.
- SMU will be allowed no live television appearances in 1988 and no bowl appearances immediately following that season.
- Football practice during 1987 will be limited to conditioning programs only, and no football equipment may be used other than helmets and shoes. SMU will be permitted to resume normal practice activities in the spring of 1988.

• The school may have no more than one head coach and five assistants until Aug. 1, 1989.

• No football scholarships will be allowed this year, and no more than 15 players can be signed for next year.

No recruiting may take place by football staff members until Aug. 1, 1988.

School officials have said they will not appeal the NCAA findings. SMU is the first school to fall under recently passed bylaws that allow the NCAA to suspend an athletic program for up to two years. Such action can be taken when a program is judged to have violated NCAA regulations while already on probation.

The Mustang football program was serving a three-year probation when additional allegations of illegal recruiting surfaced last year. Following those reports, the school president, L. Donald Shields, resigned; he cited health reasons. Resignations followed from athletic director Bob Hinch and football coach Bobby Collins. None of those positions has been filled.

SMU already was the most penalized school in NCAA history, the latest punishment being its fifth in the last 12 years. The football program was placed on probation twice in the last six years: 1981 and 1985, and the Mustangs' first brush with the NCAA was in 1958, when they were put on probation for a year.

Although the NCAA released its findings Wednesday, there will apparently be no release of the names of those involved. SMU officials have said the identities of those violating NCAA regulations will be kept secret because they could not have gathered the information they did without providing anonymity.

There were also indications that the names of those involved have been stricken from all records in the case so they cannot become public even if the documents are opened in the future.

Now Going to the Dogs Can Be Tax-Deductible

By Andrew Beyer

Washington Post Service

WASHINGTON — When Robert Grotzinger lost his job with a trucking company in 1978, he tried to support himself by betting on dog races.

According to the U.S. government, which would later take a keen interest in his activities, Grotzinger "devoted about half his waking hours to gambling at tracks in Florida and Colorado."

At the end of the year, he filed a tax return that indicated he was a professional bettor.

Grotzinger quickly ran afoul of the Internal Revenue Service, which argued that an individual could not be engaged in the business of gambling — thus altering the computation of his taxes. Not a great deal of money was involved (the IRS was trying to collect \$2,521.89), but the case was in the courts for years because a larger principle was at stake.

And here was the catch: The gambler was seeking for a hefty "alternative minimum tax" because the IRS viewed that \$400,000 deduction as if it were some dubious tax shelter rather than a genuine business expense.

In Grotzinger's case, the figures were less dramatic. He showed gambling income of \$70,000 and losses of \$72,032 in 1978. But regardless of the amounts, the IRS would not view gambling losses as legitimate expenses because it held that gambling was not a business.

The IRS relied on an old Supreme Court decision that defined a trade or business as "the holding out of goods or services to others." Professional gamblers couldn't meet that standard, nor could certain other types of businessmen — for example, people who devoted most of their time to managing their own stock-market investments.

Some courts were willing to take a more liberal view of what constituted a business, saying in essence that if something looked like a duck, walked like a duck and quacked like a duck it must be a duck. Other courts cited legal precedent to insist that it wasn't a duck.

The Grotzinger case has resolved the longstanding dispute. Wrote Justice Harry Blackmun: "If a taxpayer devotes his full-time activity to gambling, and it is his intended livelihood source, it would seem that basic concepts of fairness (if there be much of that in the income tax law) demand that his activity be regarded as a trade or business just as any other readily accepted activity."

The ruling apparently has no effect on the statutory restriction that says gambling losses can only be deducted to the extent of gambling winnings. Moreover, stopping the IRS from using the alternative minimum tax against gamblers had already been accomplished by a tax-law change passed by Congress in 1982.

But the ruling will permit gamblers to take substantial deductions as business expenses. It should allow them to invest part of their gambling winnings in retirement funds.

Most of all, the court has conferred legitimacy to the business of gambling. Bettors can come out of the closet.



Battling Billy

New York Islander goaltender Billy Smith, long noted for his short-fused temper and feistiness, hit Herb Raglan on the head with his stick after he and the St. Louis defenseman made goal-crease contact late in Tuesday night's opening period. Smith was whistled for high-sticking and also received an unsportsmanlike conduct penalty; during the resulting two-man advantage Doug Gilmour tallied, starting the Blues on their way to a 3-2 victory.

W. Virginia Puts an End To Two Temple Streaks

United Press International

PHILADELPHIA — Bolstered by its strong defense, West Virginia ended a 66-1 upset of the fourth-ranked Owls Tuesday night that should have repercussions at a free national tournament time. The Mountaineers limited Temple to

hit a 3-pointer to draw the Owls to 59-58 with 22 seconds to go. Tyrone Shaw connected on a 2-foot shot with 19 seconds left for a 61-58 lead. Wayne Vanshook hit a free throw and Brooks scored a layup to give West Virginia a 64-58 lead.

COLLEGE BASKETBALL

38.3 percent shooting from the field in registering 64-61 upset of the fourth-ranked Owls.

Temple had its 15-game winning streak ended and its 33-game winning streak at McGonigle Hall snapped.

"Our defense was terrific all night," said Coach Gale Catlett, whose team had been allowing a miserly 60.5 points a game. "We tried to keep them from executing like they did before against us." (Temple had posted a 67-57 victory earlier this season.)

West Virginia used a box-and-one defense to control Temple guard Nate Blackwell, who scored only eight points — 12 under his average — and had only two assists. His shadow was senior guard J.J. Craw. "I didn't take Blackwell all by myself," Craw said. "I had a lot of help. I think that did it."

The victory did not alter the Atlantic 10 playoff picture, since Temple (28-3 overall and 17-1 in the league) already had clinched the home-court advantage and West Virginia had won up second place. But Tuesday's result had to darken Temple's chances of gaining one of the four top seeds for the NCAA tournament while doubling improving West Virginia (21-6 and 15-3) in the eyes of the tournament committee.

Besides excellent defense, Crawford converted an off-balanced 15-foot jump shot with one second left on the 45-second shot clock to break a 55-55 tie with 53 seconds to play. That gave West Virginia the lead for good.

Temple then turned the ball over, as Darrin Percell could not handle a Blackwell pass. Herbie Brooks sank two free throws for West Virginia with 28 seconds left. After Temple's Mike Vreeswyk

Temple was playing without 6-foot-10 (2.08-meter) center Ramon Rivas, out for the fourth straight game with an infected left leg, the Owls needed their outside shooting. They didn't get it — Vreeswyk hitting 6 of 22 from the floor and Howard Evans shot 5 of 16.

"Howie and Mike could have shot the ball better," said John Chaney, the losing coach. "You can't fire the ball inside when they're packing it in and we couldn't free Nate. We found him out of a couple of screens, but he got a tough shot."

"I kept thinking sooner or later we were going to get a spanking. We'll just have to walk away from this and wait for the sun to shine tomorrow."

Shaw had 16 points for West Virginia. Brooks had 15 and Crawford 10. Vreeswyk led the losers with 18 points, while Evans had 15 and Tim Perry 14. The Mountaineers outrebounded Temple 41-29.

Georgetown 79, Boston College 65. In Boston, Reggie Williams scored 25 points and Perry McDonald added 18 to lead seventh-ranked Georgetown. Never trailing, the Hoyas moved into sole possession of second place in the Big East.

Iowa State 86, Oklahoma State 84. In Ames, Iowa, Tom Schaffer hit a short jumper as time expired to lift Iowa State over No. 14 Oklahoma. Schaffer scored 29 points as the Cyclones pulled off their second upset of a Big Eight power in a week (they beat 16-ranked Kansas in Ames on Feb. 17).

Missouri 80, Kansas State 75. In Manhattan, Kansas, Lee Coward made a three-point shot with 1:43 to play to break the game's first tie and lift Missouri into first place in the Big Eight. The winners rallied from a nine-point deficit with 5:43 left in the game.

VANTAGE POINT/Ira Berkow

One Baseball Owner's Impeccable Logic

New York Times Service

NEW YORK — When Don Mattingly had the nerve to win his arbitration case against the New York Yankees, George Steinbrenner, the team's principal owner and The True Sportsman, fumed and swore.

"He's like all the rest of them now," said The Sportsman. "He can't play little Jack Armstrong of Evansville, Indiana. He goes into the category of modern-player-with-agent looking for the bucks. Money means everything to him."

The implication is that Mattingly is a wrong-headed no-goodnik, and don't invite him to dinner because he'll swipe the candleabra.

Fact is, Mattingly is a professional baseball player, who, under the terms of the collective bargaining agreement between the Players Association and the owners, is given a right to seek salary arbitration.

Steinbrenner further implies that he is not a money-grubber like Mattingly. For Steinbrenner, certainly, is hardly in baseball for the money. That makes him an amateur owner, which confirms the suspicions of many.

Now, when The Sportsman lost the case — his figure was \$1.7 million a year to Mattingly's \$1.975 million — he didn't sit back and say, "O.K., congratulations, Don, and good luck."

The True Sportsman railed that the arbitrator was a bum and "probably never wore a jockstrap in his life."

Of course, it's not imperative for one to have battled against Fernando Valenzuela in order to rule on the relative merits of a ballplayer, just as one doesn't need a pilot's license to decide a labor dispute in the aircraft industry.

The arbitrator in the Mattingly case was Arvid Anderson. If Steinbrenner believed Anderson was too incompetent to arbitrate a baseball question, he had plenty of time to say so. He didn't, meaning he either believed Anderson's credentials were acceptable, or, like an amateur owner, didn't bother to check until the case was over and he could do nothing but spit sour grapes.

An arbitrator may be removed from initial consideration if either side doesn't want him. No reasons are necessary. Then they decide on another arbitrator.

Arbitrators used by baseball have established reputations for impartiality, probity and sound judgment. Anderson's credentials are lofty. He is the president-elect of the National Academy of Arbitrators and was recently named arbitra-



George Steinbrenner

tor of the year for 1986 by the American Arbitration Association. He is the chairman of the New York City Office of Collective Bargaining, and has been for 19 years. He has handled thousands of cases in mediation and arbitration in the public, private and federal sectors.

The True Sportsman also condemned the arbitration process as being worse for baseball than free agency. What he seems to be saying is that the owners should eliminate arbitration just as they have suppressed free agency, thus sinking the players back to their status before 1976, when the reserve clause was in effect and the players were wage slaves.

The True Sportsman also said that Mattingly now has "the monkey clearly on his back." He has to deliver a championship for the Yankees

like Reggie Jackson did when he was the highest-paid Yankee. The pressure is on him. I expect he'll carry it to a World Series championship, or at least the pennant. He better do it just like Gary Carter did after he got his big contract."

Certainly Carter was the sole reason the New York Mets won the title, and Keith Hernandez, Ray Knight, Wally Backman, Len Dykstra, Darryl Strawberry, Dwight Gooden, Ron Darling, Bobby Ojeda, and Jesse Orosco, to name a few, were superfluous, like tailcoats.

As for Jackson, it is beyond question that he single-handedly won the championship for the Yankees in 1977 and 1978.

In 1977, he batted .286, with 32 home runs and 110 runs batted in. All right, so Graig Nettles had 37 homers and 107 RBIs, Thurmond Munson hit .308 with 100 RBIs, Chris Chambliss had 17 homers and 90 RBIs, Lou Piniella hit .330, Ed Figueroa and Ron Guidry won 16 games, Don Gullett was 14-4 and Sparky Lyle had a 2.17 earned-run average. Insignificant. Everyone knows they were nothing more than Jackson's cheerleaders and bootblacks.

The same in 1978, when Jackson's numbers fell somewhat, to .274, with 27 homers and 97 RBIs, nearly the same, coincidentally, as Nettles (.276, 27 and 93). Guidry was only 25-3, Figueroa won 20, Catfish Hunter was 12-6, Rich Gossage led the league in saves, and Willie Randolph and Mickey Rivers were at the top of the batting order and played solid defense. But the True Sportsman knows that Mattingly, like Reggie and Rambo, must do it alone.

We'll see, although Mattingly in the last two years has tried mightily: His figures in 1985 were a .324 batting average, 35 homers, 145 RBIs, and last year they were .352, 31 and 113. He also played superbly afield. His statistics were superior to Jackson's in his championship seasons in the Bronx. Perhaps Mattingly could use help, like a Jack Morris or a Rich Gedman, two effective free agents whom Steinbrenner refused to deal with this winter.

Meanwhile, Anderson continues to arbitrate baseball disputes. In the two since Mattingly, he decided for the clubs — siding with the Philadelphia Phillies over Kevin Gross and the Cleveland Indians over Brett Butler.

Pursuing the impeccable logic of The True Sportsman, one must assume that Anderson has recently invested in a basic piece of athletic gear.

SCOREBOARD

Basketball

NBA Standings

EASTERN CONFERENCE

Atlantic Division

Team	W	L	Pct.	GB
Boston	41	24	.629	—
Philadelphia	31	34	.476	10
Washington	29	36	.443	12
New York	18	47	.277	21

Central Division

Team	W	L	Pct.	GB
Detroit	36	29	.554	—
Atlanta	32	33	.492	4
Chicago	32	33	.492	4
Indiana	27	38	.412	9
Cleveland	22	43	.338	14

WESTERN CONFERENCE

Midwest Division

Team	W	L	Pct.	GB
Dallas	39	26	.597	—
Utah	31	34	.476	8
Denver	29	36	.443	10
San Antonio	19	46	.293	20

Pacific Division

Team	W	L	Pct.	GB
L.A. Lakers	42	23	.646	—
Portland	35	30	.538	7
Seattle	27	38	.412	15
Golden State	27	38	.412	15
Phoenix	22	43	.338	20
L.A. Clippers	9	42	.173	27

Tuesday's Results

Team	W	L	Pct.	GB
New Jersey	32	30	.516	—
San Antonio	32	30	.516	—
Portland	32	30	.516	—
San Antonio	32	30	.516	—
Portland	32	30	.516	—

U.S. College Results

Team	W	L	Pct.	GB
Army	48	10	.833	—
Brandeis	48	10	.833	—
Clark	48	10	.833	—
Clark	48	10	.833	—
Clark	48	10	.833	—

Hockey

National Hockey League Standings

WALEY CONFERENCE

Team	W	L	T	Pts	GP	GA
Philadelphia	27	18	5	59	50	177
N.Y. Islanders	27	18	5	59	50	177
N.Y. Rangers	27	18	5	59	50	177
Montreal	27	18	5	59	50	177
Pittsburgh	27	18	5	59	50	177
New Jersey	27	18	5	59	50	177

Pacific Division

Team	W	L	T	Pts	GP	GA
Hartford	31	24	4	66	59	204
Montreal	31	24	4	66	59	204
San Jose	31	24	4	66	59	204
Quebec	31	24	4	66	59	204
Buffalo	31	24	4	66	59	204

CAMPBELL CONFERENCE

Team	W	L	T	Pts	GP	GA
Detroit	26	26	8	60	60	212
Minnesota	26	26	8	60	60	212
Chicago	26	26	8	60	60	212
Toronto	26	26	8	60	60	212

Tuesday's Results

Team	W	L	T	Pts	GP	GA
Edmonton	6	1	1	13	8	3
Pittsburgh	6	1	1	13	8	3
St. Louis	6	1	1	13	8	3
San Jose	6	1	1	13	8	3
San Jose	6	1	1	13	8	3

Transition

BASEBALL

DETROIT—Gerrit Cole, 25, was

signed to a one-year contract.

MINNESOTA—Signed Les Straker, pitcher,

to a one-year contract.

NEW YORK—Signed Bob Tewksbury,

pitcher, and Paul Lindblad, catcher, to one-year contracts.

National League

CINCINNATI—Signed Barry Larkin, in-

fielder, and Tracy Jones and Leo Garcia, out-

Golf

PGA Leaders

Player	Score
1. Corey Pavin	537.00
2. Paul Azinger	538.00
3. T.C. Chen	538.00
4. Bernard Langer	538.00
5. Mark Calcavecchia	538.00
6. Johnny Miller	538.00
7. Hal Sutton	538.00
8. Ben Curnshaw	538.00
9. George Burns	538.00
10. Mike O'Donnell	538.00
11. Bob Twy	538.00
12. Bobby Wadkins	538.00
13. Larry Wadkins	538.00
14. Rick Fehr	538.00

TENNIS

Player	Score
1. Bernard Langer	537.00
2. Paul Azinger	538.00
3. T.C. Chen	538.00
4. Bernard Langer	538.00
5. Mark Calcavecchia	538.00
6. Johnny Miller	538.00
7. Hal Sutton	538.00
8. Ben Curnshaw	538.00
9. George Burns	538.00
10. Mike O'Donnell	538.00
11. Bob Twy	538.00
12. Bobby Wadkins	538.00
13. Larry Wadkins	538.00
14. Rick Fehr	538.00

AVERAGE DRIVING DISTANCE

Player	Score
1. Corey Pavin	537.00
2. Paul Azinger	538.00
3. T.C. Chen	538.00
4. Bernard Langer	538.00
5. Mark Calcavecchia	538.00
6. Johnny Miller	538.00
7. Hal Sutton	538.00
8. Ben Curnshaw	538.00
9. George Burns	538.00
10. Mike O'Donnell	538.00
11. Bob Twy	538.00
12. Bobby Wadkins	538.00
13. Larry Wadkins	538.00
14. Rick Fehr	538.00

DRIVING PERCENTAGE IN FAIRWAY

Player	Score
1. Corey Pavin	537.00
2. Paul Azinger	538.00
3. T.C. Chen	538.00
4. Bernard Langer	538.00
5. Mark Calcavecchia	538.00
6. Johnny Miller	538.00
7. Hal Sutton	538.00
8. Ben Curnshaw	538.00
9. George Burns	538.00
10. Mike O'Donnell	538.00
11. Bob Twy	538.00
12. Bobby Wadkins	538.00
13. Larry Wadkins	538.00
14. Rick Fehr	538.00

GREENS IN REGULATION

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